

# The NATIONAL UNDERWRITER



## Problems of a Growing Man

*In your 'teens, it's your clothes you are constantly outgrowing. In your twenties and after, you are constantly outgrowing your insurance.*

For example, you buy your first car and need fire, theft and liability insurance. . . You get married, and need insurance on your wife's diamond ring, jewelry, etc., fire insurance on household property. . . You buy a house, and insurance needs grow again: fire insurance on your house, property owner's liability insurance.

Wise is the man who, early in his life, discovers the advantages of putting insurance problems up to a local agent or broker. Your local agent can tell you what policies best meet your requirements . . . they can make changes in your policies at a moment's notice . . . they can give you valuable assistance in event of loss.

For all of these reasons the Aetna Fire Group sell only through reliable local agents and brokers.

Remember, too, that insurance with a

capital stock company means insurance backed by both a paid-in capital and a surplus . . . insurance on which you are never liable for assessment.

**Don't Guess  
About Insurance**

**CONSULT YOUR  
LOCAL AGENT  
or BROKER**



**The AETNA FIRE GROUP**

HARTFORD, CONNECTICUT

NEW YORK • CHICAGO • SAN FRANCISCO • CHARLOTTE, N. C. • TORONTO, CAN.



**THURSDAY, SEPTEMBER 26, 1940**

## Do You Know This Man?

You should — for he has placed his financial well being in your hands!

Who is he? He is your client — the man whose insurance you write.

Have you justified his confidence by analyzing his insurance needs carefully and checking up on them regularly? By explaining the policies he already has and doing your utmost to get him to carry the insurance protection you honestly feel he needs?

If you do these things — you are really his insurance counsellor and worthy of the trust placed in you.

### America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



### and Indemnity Group

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# NORWICH UNION

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nationwide prestige of the  
**NORWICH UNION**  
based on a long and honor-  
able record of service

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# COMPANIES





Now that vacation's over, it's back to school for the youngsters—and back to work for the rest of us. Some approach it with "an apple for the teacher," hoping for favors to make the job ahead a bit easier to bear. Others adopt a surly attitude, figuring that the world owes them a living, whether they cooperate or not. The majority take a middle-of-the-road course—with a firm determination to do their best, under all conditions. To the latter group Crum & Forster offers their heartiest cooperation and the facilities of their entire organization, from field man to top executive. We are ready to do our share during the present national emergency—are you?



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# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 39 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 26, 1940 \$4.00 Year, 20 Cents a Copy

## Cooperation Urged at Mutual Agents Annual Convention

### Two Speakers Say Stock-Mutual Civil War Hurts Everybody

WASHINGTON — Cooperation between stock and mutual interests was strongly advocated by two speakers at the convention of the National Association of Mutual Insurance Agents here. Alfred M. Best of New York, well known insurance publisher, brought this out in his talk entitled "Trends in Fire and Casualty Insurance," and R. C. Baker, Boston, executive vice-president Mutual Fire Insurance Association of



ALFRED M. BEST

New England, urged a united public relations effort. Mr. Best also said that the gap in cost between stock and mutual insurance is narrowing and advocated state regulation of rates.

Among the trends pointed out by Mr. Best were the downward course of insurance rates, with coverages being broadened at the same time, fire prevention and accident prevention, the growth of educational efforts, interest of buyers of insurance, standardization of policy forms, operation of multiple line fleets in both the stock and the mutual fields, increased investment in government obligations by all carriers and in stocks by some fire insurance companies. He pointed out the tremendous growth of assets of insurance companies and said that state insurance departments were functioning admirably and that the quality of examination reports has improved greatly during the last 40 years.

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## Some Observations Made on Buffalo Convention

By C. M. CARTWRIGHT

At the annual meeting of the National Association of Insurance Agents at Buffalo very little came out of the executive committee from a publicity standpoint. This has been the case at the last few meetings. The committee is discussing subjects on which a final decision has not been reached. They are momentous and have a direct bearing on companies and agents. They are, for example, countersignature legislation, branch office control, graded commissions for larger premiums, the proper manner to install an educational system under the auspices of the National body, automobile finance issue, and compulsory automobile insurance. The executive committee, in pondering over these questions is obliged to give much time and many desired to be heard. Therefore, at the convention there was only one pronouncement from the committee, that having to do with the Florida local agents' association controversy with the Travelers over life agents in branch offices soliciting fire and casualty insurance and thus coming in competition with regular agents.

### BREAKFAST CONFERENCES

Breakfast conferences, except in a few instances, do not draw attention as they deserve. At the rural agents' conference presided over by R. W. Forshay of Anita, Ia., there were some 45 persons. At the fire prevention conference, for example, there were only three agents. The suggestion was made by Assistant Secretary J. B. Miller that each state association assign some particular person to attend each conference. The conferences are scheduled at 8 o'clock in the morning. The night before may have been devoted very extensively to social pastimes and 8 o'clock seems very early. Breakfast conferences should be something worth while. It may be necessary to make these Monday evening conferences.

### Continuity of Chairmanship

In connection with these conferences which are presided over by the chairman of the committee having charge of the activity which draws the people together at the session, a mistake, in the opinion of many, is made when a new chairman is appointed every year. For instance, W. Herbert Stewart of Chicago has been the continuous chairman of the surety committee for some time and Mr. Forshay has headed the rural agents' committee since it was established. They have knowledge of what has been done right along and, therefore, have gained momentum because of their close touch with the work. Take fire prevention, for example. Terrell Woosley of Lake Charles, La., a most able chairman, had to flounder around for six months getting his bearings. Committees like accident prevention, fire prevention, inland marine, publicity and education, rural agents and surety should certainly have a chairman serve as long as possible. When he grows

stale and begins to slip then there is time to inject new blood.

### BUFFALO AGENTS

The Buffalo agents did a magnificent piece of work up and down the line. Every committee chairman was on his toes spending long hours. Some committees had done their work previous to the convention. John C. Olson, chairman of the hotels committee, was obliged to do grinding work, keeping people satisfied and seeing that the best possible accommodations could be afforded. Albert Dodge, chairman of the entertainment committee, had to look after the get together dinner and the big supper at Niagara Falls, Can. R. R. Brockett, chairman of the information committee, was at his desk during the long hours of the day and a good part of the evening. R. H. Mason was general chairman. A. C. Glasser, president of the Buffalo Association of Fire Underwriters, was on the job at all times looking after the welfare of the delegates. All in all the Buffalo people did a remarkable piece of work. Mrs. J. W. Rose was chairman of the ladies' committee and Mr. Rose was chairman of the registration committee which was another tough assignment.

### MIDYEAR MEETING

The far west has secured through custom and tradition the privilege of having the National association meet on the Pacific Coast about every 10 years. California never fails to send a good sized delegation. They are true Californians, they have a wonderful state organization, they have made it worth while and they exert a powerful influence in the national body. California has produced two able presidents, the late Percy H. Goodwin of San Diego, Cal., and W. H. Menn of Los Angeles, who retired this year as chairman of the executive committee. It is a long distance for people in other sections of the

(CONTINUED ON PAGE 35)

## Conference Soon on Employees That Are Called to Colors

### Company Officials Will Endeavor to Reach Some Uniformly Fair Agreement

NEW YORK — Company officials will meet here soon for a general though informal conference as to the provisions to be made for such of their employees as may be called to the colors under the conscription act. It is understood the first draft of eligibles—men between ages 21 and 35 inclusive—will be made about Nov. 15.

So far the great majority of companies still are busy listing the number of their employees likely to be called to service, and have not decided either as to the extent of the contribution they will make, nor as to their attitude toward group life insurance coverage; which form of protection is carried by the great percentage of companies, as well as by a number of associated enterprises.

### Employees of Bureaus

A number of Hartford fire companies have announced their intention to grant full pay for three months to drafted employees who have been in their service for three years, two months' pay to those employed two years, and one month's pay for those of one year of service.

Aside from the employees in individual offices, fire companies must take into account the considerable number of men connected with such associated enterprises as rating, inspection, adjusting and regional bureaus of one kind or another the country over, which expense must be borne by the associated member companies.

### Group Life Insurance

The National Industrial Conference recently queried its membership which embraces most of the large industrial enterprises of the country—as to their attitude toward group life covers. Responses thus far received indicate various intentions. Some corporations promise to continue payment of full premiums, others to contribute on a 50-50 basis, and a few others declare they will suspend operation of the coverage during the period of enlistment.

The law requires that the position of a draftee be restored by the employer without change of seniority, status or pay, "unless it is impossible or unreasonable" to do so. Fire companies are reluctant to guarantee the restoration of the same position to employees as that held when called to the colors, but of course, will obligate to furnish a post as nearly akin to that formerly occupied as possible.

## Agents New Executive Committee Selected

NEW YORK—The National Association of Insurance Agents announced its executive committee for the coming year. It consists of Chairman S. O. Smith, Gainesville, Ga., President P. H. Midyette, Tallahassee, Fla., Vice-president R. W. Forshay, Anita, Ia., Wade Fetzner, Jr., Chicago, L. W. Garlich, St. Joseph, Mo., G. W. Haerle, Portland, Ore., F. A. Moreton, Salt Lake City, D. A. North, New Haven, T. G. Redden, Greensboro, N. C., Terrell Woosley, Lake Charles, La., Chris Zoercher, Tell City, Ind. Messrs. Haerle, Redden, Woosley and Zoercher are new members.

## Short Term Courses Are Discussed at Conference

The five breakfast conferences at the National Association of Insurance Agents convention at Buffalo on Tuesday morning were undoubtedly the most successful yet staged at a national convention. Three of them drew very large crowds and the discussion was voluntarily prolonged beyond the allotted time. It was generally felt that reduction of a number of conferences and careful selection of the subjects had paid dividends.

At the publicity and education committee breakfast, L. P. McCord, Jacksonville, Fla., chairman, a motion was passed recommending that at the mid-year meeting a day be given to put on as a demonstration, a short course school such as is recommended for use of local boards and others for the benefit of agents and office employees. It was believed it would be practical to conduct such a school on Monday, ahead of the formal program at the meeting to be held next year in Oakland, Cal.

It was brought out in the discussion that a model study course is being formulated for use of state associations and local boards that wish to sponsor educational courses. About half of those present were from states where educational courses have been sponsored.

### Securing Instructors

A problem of securing instructors for these courses is developing. Some home office company representatives have been called upon so frequently that it is conceded there should be a survey of available talent so the burden will not be disproportionate upon any particular companies. A number present believed more instructors should be drawn from the ranks of local agents—possibly putting instruction staffs on a 50-50 basis as to company instructors and local agents. Rosters of available instructors are now being prepared. Four years experience in Florida, Mr. McCord pointed out, showed an increasing demand for local agent instructors. He also said it may prove helpful in preparing study courses to get help from persons experienced in educational programs, but not necessarily connected with the insurance business.

Roy A. Duffus, Rochester, N. Y., said a very successful course of study had been devoted to line by line analysis of manuals. Question and answer box methods had proven helpful in some schools as part of the procedure. Some local board schools have been conducted in connection with noon luncheons but the most popular plan is for regular monthly, weekly (or oftener) evening sessions. In Florida as many as 300 have attended short courses and 1,000 the extension courses.

### Insurance Libraries

Maintenance of insurance libraries by local boards and selection of books therefor was discussed. In some places the business section of local public libraries have given good help to this end, the board providing funds in part or wholly for purchase of desired books. The list of books included in the Insurance Institute, of America correspondence courses was recommended as a good guide for library formation.

In summing up the conference, Mr. McCord said, "Education will not solve all our problems but straight thinking and study will help." Those who attend these National association conferences, he said, are not the ones most in need of educational facilities, but rather the many hundreds of agents who write only a small business and are not concerned with giving service to their clients. The problem of reaching them is most difficult he admitted.

The rural agents conference attracted about 40. R. W. Forshay, Anita, Ia.,

rural agents' chairman, who was later elected vice-president of the National association, presided. He introduced A. L. Riedel, Compton Lakes, N. J., whose account of the activities of the New Jersey association and subsequent questions took up most of the meeting.

Mr. Riedel explained the rural agents' forums, which have been credited with much of the increase in membership of the New Jersey association. His organization held eight monthly forums in all counties except those in the vicinity of Newark. Fire insurance was discussed in the northern part of the state, marine in the central and casualty in the south. This will be alternated in subsequent years. The New Jersey forums were prepared in cooperation with the University of Newark and instruction was given by both agents and members of the university staff. Examinations were given and papers corrected by the university, but nobody was obligated to take the examination. Mr. Riedel said that the university and Professor Lawrence Ackerman of the insurance department had been extremely cooperative.

Regarding financing of rural agents' activities, Mr. Riedel said that county boards have handled this successfully. He said his committee worked for two years before asking for support, but found a very generous response once the committee had established itself as active and constructive.

### Agreement With Companies

The New Jersey association has also made progress in restricting part time agents, Mr. Riedel reported. The Bergen county plan has been successful and the association is now trying for a state-wide agreement, which has been delayed because of an argument over separation. The New Jersey association and the companies have agreed to define a legitimate agent as one who spends at least 50 percent of his time in the insurance business and the balance in some other approved occupation, such as real estate or operation of a ticket agency. Lawyers are not approved as part time agents. The agreement will eventually eliminate surveying agents, a time limit having been set beyond which they will not be appointed.

Mr. Forshay reported briefly on the activities of the rural agents committee, including negotiations on the corn insurance program and the automobile liability rating system.

## MEMBERSHIP

The membership conference, presided over by D. A. North, New Haven, occupied itself chiefly with reports from men outstandingly successful in this field. H. A. Brown, Columbia, S. C., said his state was divided into small districts and meetings were held for

non-members and their employees, explaining the state association and its benefits. Non-members were also invited to the state convention and were urged to enroll in the insurance school. A general effort was made to solicit membership locally.

Irwin Wootton, Atlanta, emphasized the help which field men can give. G. W. Haerle, Portland, Ore., said it is advantageous to offer the field men not more than two agents names at a time. H. E. McClain, Indianapolis, stressed the importance of retaining the present membership intact and suggested that every member be given a job to maintain his interest. W. F. O'Brien, Passaic, New Jersey secretary, recommended frequent visits to coextensive local boards said interest was maintained by a publication of new agents names in the association's house organ.

In the absence of J. J. Roe, Patchogue, N. Y., A. B. Millard, Grand Rapids, presided at the accident prevention session. Those present heard the work of the National Conservation Bureau, outlined by Julian Harvey, its managing director.

He outlined in detail some of the educational work through the medium of books, posters, bulletins and service clubs. Three books which this organization has used to great advantage among school students are "Treating Dangerous Locations," "Safety Is Good Business," and "Man and the Motor Car." He also described the work of the Worcester police department, the holding of a police traffic forum, with formal talks, discussion talks and the suggestions that come from this procedure.

Mr. Harvey urged that the insurance men in the smaller communities identify themselves to some specific job or assignment in connection with their accident prevention board, to the mutual advantage of both.

Neal Harris, Oakland, Cal. gave an outline of the work of the committee in his city. The secretary holds regular classes and gives talks and lectures to the school children, police department and womens clubs. This organization contributes about \$3,500 a year to the committee.

Mr. Millard outlined the work which the stock company men have done to offset the multiplicity of safety awards, plaques, contributions, fleet certificates and the like which many mutual organizations have offered. He said the members of his community are now accident conscious and working for the good of the community as a whole.

### Pleasure Craft Destroyed

CINCINNATI—The 86 foot "Osprey," largest pleasure craft privately owned on the Ohio river, was completely destroyed by a fire and explosion. The cruiser, built in 1915 at a cost of \$32,500, had a considerably higher replacement value, according to its owner, D. S. Austin, who purchased it in 1934. It was insured for a substantial amount through a Cincinnati agency. The boat has a beam of 15 feet and was of about 15 gross tons.

## THIS WEEK IN INSURANCE

Complications arise over English insurance companies subsidiaries doing business in France. **Page 5**

John C. Harding, executive vice-president of the Springfield F. & M., in charge of its western department, has been elected a director. **Page 6**

National Association of Mutual Insurance Companies takes militant action on the Home Owners Loan Corporation insurance contract. **Page 5**

Some rambling observations are made regarding features of the annual convention of the National Association of Insurance Agents at Buffalo. **Page 3**

Program for the annual meeting of the Kansas Association of Insurance Agents is announced. **Page 39**

Nation's greatest danger is from within, J. S. Kemper, president U. S. Chamber of Commerce, tells convention of mutuals held in Cincinnati. **Page 5**

At one of the breakfast conferences at the meeting of the National Association of Insurance Agents at Buffalo, short course insurance schools were discussed. **Page 4**

Benjamin Rush replies to attack of W. H. Bennett on his remarks regarding agents commissions. **Page 5**

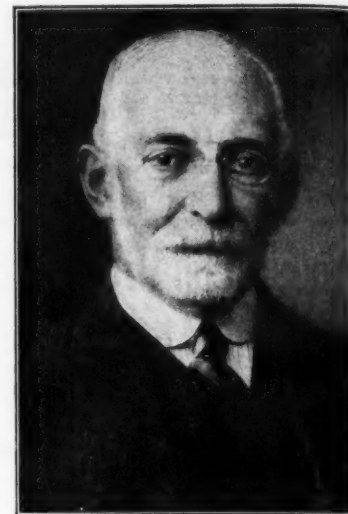
Issues joined in suit on Illinois insurance department automobile ruling. **Page 25**

Conference will soon be called in New York by officials of companies to talk over some uniform fair agreement for employees called into military service. **Page 3**

National Association of Mutual Insurance Agents is meeting in Washington, D. C. **Page 15**

Renewed effort is being made to enforce the credit rule of the Pacific Board. **Page 41**

## Fifty Years



J. B. LEVISON

J. B. Levison, chairman of the board of the Fireman's Fund, will observe his 50th anniversary in connection with that company Oct. 13. He joined the company in 1890 as marine secretary and later became second vice-president. He was elected president April 1, 1917, and served until Feb. 2, 1937. In his prime he was regarded as one of the outstanding executives of the country. While he has retired from active service he still takes a keen interest in what is going on and is highly regarded as a consultant.

## Missouri Governor Now Orders Distribution

JEFFERSON CITY, MO.—Commissioner Lucas was authorized by Gov. Stark to proceed as soon as possible with the distribution of approximately \$1,700,000 of impounded excess fire insurance premiums collected in the state's phase of the 16 2/3 percent rate litigation which has been in the Missouri courts for more than ten years.

A decision by the Missouri supreme court, Sept. 3, prohibiting the circuit court here from taking further action in a fee case, cleared the way for the distribution of the money to some 800,000 Missouri policyholders.

Mr. Lucas estimated it would take about four months to return the money, with checks ranging from a few cents to several hundred dollars.

## Pa. Department Activities Reviewed for Two Years

Commissioner Taggart of Pennsylvania has issued a report, covering the two years ending May 31, 1940, which in addition to certain statistics of companies operating in the state, reviews the activities of the various divisions of the department. The report shows that the life agents' licenses in force numbered 31,876 on May 31, 1939, and one year later were reduced to 30,451. The number of fire agents' licenses in force was also reduced slightly from 74,677 on May 31, 1939, to 73,090 on May 31, 1940. Casualty agents' licenses, however, increased in number from 38,355 to 41,340.

### Busy Executive Committee

BUFFALO—The executive committee of the National Association of Insurance Agents concluded its deliberations in connection with the annual convention of the National Association of Insurance Agents. It had met 15 times for a total of 35 hours and 30 minutes. All members were present at all meetings.

Official estimate of total attendance at the convention was set at 1,676 of which 315 were ladies.



## All Citizens Must Assume Burden of Saving Nation

### President Kemper of National Chamber Gives Message to Mutuals

CINCINNATI—J. S. Kemper, Chicago, president United States Chamber of Commerce, the principal speaker at the annual banquet of the National Association of Mutual Insurance Companies, and Federation of Mutual Fire Insurance Companies, challenged American business men to take a greater interest in government affairs. There was a time, he said, when the American business men took an active part in gov-



J. S. KEMPER

ernment. If they are not willing to give their own time and energy to public service, he said, they may wake up to find that a demagogue has run away with the show.

"Throughout all history," Mr. Kemper said, "rulers who have wished to divert the attention of their peoples from domestic ills have sought, and usually found, some particular thing to attack that has focused attention on that one thing. In Russia it was the aristocracy. In Italy it was the labor union. In Germany it was the Jew. In America it was business. We were vilified and called all sorts of names."

#### Business Has Been Effective

For the last 3½ years, he said, the chamber of commerce has been working intensively in an effort to carry to every part of the country the message that business as a whole has performed effectively and that without business initiative and enterprise the development of the nation to its present stature would have been impossible.

"We have gone to the small community (and that is where chamber strength lies) and said to the grocery man there: 'Mr. Groceryman, what sort of businessmen have you in your town? Is your hardware merchant, your lumberman, your druggist a decent fellow? And, if so, isn't it reasonable to suppose that the same men in the same business in your neighboring town also are honest men, doing a good job? And, if that is true, can't it be assumed that businessmen a thousand miles away,

## Complications Over French Operations

### English Companies Find Problems Following German Occupation

TORONTO, ONT.—According to the "Statist," a copy of which has just been received in Toronto from London, Eng., one of the complications arising out of the German occupation of France concerns British insurance companies with French subsidiaries.

After the last war, the British companies maintained and developed their business in France, in compliance with the very strict provisions of French law which, among other things, insisted on the deposit of the securities or other assets held against liabilities with the government. In consequence the British parent companies are not in possession of the assets behind the policies issued by their subsidiaries, even where these policies are in sterling, and being cut off from communication with their subsidiaries, have no means of discovering what is happening to these assets.

#### Another Problem Up

If the French or British policyholders have reached England, there is another problem to be solved. It is that of the payment of premiums. Were he allowed to pay it to the parent company there would be no means of informing the French office of the payment, much less transferring it. Moreover, under French law, if the premium is not paid within a certain date of its maturity, the value of the policy is reduced by its amount.

The parent companies, in these circumstances, propose to get around the difficulty by treating the premium as a loan on the policy, repayable at such date as the attitude of the French government shall be made clear and corresponding activity or action taken by their subsidiaries. They have of course no intention of disclaiming all responsibility for the liabilities of their subsidiaries and intend to do all possible to protect the rights of clients of those subsidiaries.

even in different or in larger businesses, are worthy of trust and confidence?"

"In other words, we endeavored to meet the challenge of American business by taking the question right out to businessmen in their own home communities, and we proved our case with undeniable facts and figures.

"Gradually we built up a new interest, a new appreciation of the part business had played in building America. And with that there came a spirit of confidence in the contribution business still could and should make in meeting the trying problems that confront us.

"It was obvious that lack of interest of businessmen in government left that door wide open for the professional politician. Men began to understand that the recent world tendency has been to make the state and not its citizens supreme. One could not survey the current scene in America without realizing that much the same thing has been going on here. He could see, if he cared to look, one move after another that has transferred to the state, rights which once belonged to the citizens. Step by step the government of the people, by the people, and for the people was becoming a government of, by and for the politician."

#### Demand Wise Spending

In commenting on rearmament and national defense, Mr. Kemper said that the full cost of rearmament comes as an added mortgage on every citizen. Ordinary revenues, he stated, do not take care of peacetime expenditures. He declared, "This country must arm in a way that no aggressor will attack us." The

(CONTINUED ON PAGE 34)

## Rush Replies to Bennett Challenge

### North America Head Explains Statements in Provocative Talk

PHILADELPHIA—Benjamin Rush, board chairman North America, has replied to the wire sent him by W. H. Bennett, New York, counsel National Association of Insurance Agents, at the convention of that body at Buffalo last week. Mr. Bennett took exception to part of the speech of Mr. Rush at the American Bar Association convention, saying commissions were too high and citing commissions in England.

Mr. Rush's letter reads: "Replying to your wire of the 17th, which reached me this morning on my return to the office, I take it that you have read the whole of my speech. If so, I think some of your criticisms will answer themselves.

"You are thoroughly familiar with the matter we are discussing so there is no use of our going into the details of it.

"Naturally I know what the local agent does, not only from my contacts with local agents in connection with my 45 years of service with the Insurance Company of North America, but also from my experience, prior to that, as an employee of a local agency.

"What I wish to put over to your gentlemen, if I can, is that for a number of years I have been growing more and more disturbed about the conditions which now prevail in the insurance business.

#### Fears Federal Quiz

"I am apprehensive of something like a national investigation in which questions might be asked which all of us might find difficult to answer.

"Every now and then some insurance commissioner suggests a limitation in the percentage of expenses allowed to insurance companies, and certainly, I think, you will agree that the tendency nowadays seems to be for the government to take over more and more functions of the corporation and the private individual.

"If you read my whole address you should be able to gauge pretty closely some, at least, of the 'sore spots' I have in mind about the insurance business and, no doubt, suggest remedies. I would rather they were put into effect by you and me than by some of the people, who now are, or who might in the future be in position to make political capital out of the business."

## HOLC Contract Is Looked On Unfavorably by Zone 3 Officials

At a meeting of the commissioners in Zone 3 of the National Association of Insurance Commissioners at Montgomery, Ala., a telegram was sent to G. C. Morgan of the Stock Company Association, Washington, D. C., regarding HOLC contracts. It said:

"Zone 3 with six states in attendance has discussed SCA-HOLC contract. We are opposed to any contract that violates any state statute pertaining to rebates or discriminations. Rates permitting excessive acquisition costs or distribution of portion of premiums to mortgagees will require immediate investigation by the insurance divisions of the states."

It seemed to be the opinion of those in attendance that any such high acquisition costs, as included in the HOLC contract, would justify an investigation of excessive rates that would allow such high acquisition costs.

The matter was also discussed of participating companies guaranteeing dividends, which likewise may cause rate investigations and penalties for violation of state statutes.

## Militant Action on HOLC Control Taken by Mutuals

### Farm Security Administration 100 Percent Coverage Condemned

CINCINNATI—Following tradition, F. C. Cromer, Los Angeles Mutual Fire, vice-president of the National Association of Mutual Insurance Companies, was elevated to the presidency at its annual meeting, succeeding L. G. Purnort, Central Manufacturers Mutual. J. H. R. Timanus, Philadelphia Contributionship, was elected vice-president, and was also elected president of the Federation of Mutual Fire Insurance Companies. H. P. Cooper, Indiana Farmers, secretary, and F. B. Fowler, Indiana Lumbermens, treasurer, were reelected, as well as W. E. Straub, Farmers Mutual of Nebraska, who is national councillor. New directors are H. S. Evans, Allied Mutual Casualty, Des Moines; C. E. Twitchell, Minnesota Implement Mutual Fire; B. Rees Jones, Town Mutual Dwelling, Des Moines; A. E. Anderson, Creamery Mutual, Cottonwood, Minn., and Mr. Straub.

#### Militant Resolutions Adopted

The report of the resolutions committee was militant. It is stated that all insured who had borrowed from the various government credit agencies should be permitted to select the company in which the insurance was placed. The HOLC agreement with the Stock Company Association was termed illegal and contrary to state anti-discrimination laws. It protested the Farm Security Administration's 100 percent coverage requirement and its rule that borrowers could not become members of mutual companies. It recommended that strong protests be made to Congressmen against the discrimination, and even to the President of the United States. The right to place insurance where the insured wished was termed an American right to free action in such matters, and its abridgement a trend toward a totalitarian system.

#### Agents Not Employes

A resolution declared that it was undesirable and unnecessary that mutual insurance companies be subject to the fair labor standards act or the national labor relations act. A U. S. Supreme Court decision, it stated, decided that insurance is not interstate commerce. Agents in the ordinary sense are not employees and should not be subject to the unemployment laws.

Federal land banks, banks for cooperatives, intermediate credit banks, and similar credit institutions should function as independent institutions and be taken out of politics.

#### Uphold State Supervision

Cooperation with insurance commissioners and support of state supervision as opposed to federal regulation was stated in another resolution to be a function of the organization. Appreciation was expressed to the Rural Electrification Commission for its cooperation. Certain rating or reporting organizations purporting to rate fire and casualty companies financially which practically blacklist a company if it refuses to purchase their services were vigorously condemned. Companies were warned against patronizing such services and advised to refer the matter to the central office. The report was given by G. A. Christensen, Bear River Farmers

(CONTINUED ON PAGE 10)



## Chosen Director



JOHN C. HARDING, Chicago

John C. Harding of Chicago, executive vice-president in the western department of the Springfield F. & M., has been chosen a director of that company and its affiliated institutions. After graduating from Princeton University in 1895, Mr. Harding joined the western department of Springfield F. & M., his father, the late Major A. J. Harding, being manager. He did field and inspection work in Cook county and eventually became assistant manager in 1911, being appointed manager in 1921 and finally executive vice-president in 1936. He is one of the insurance directors of the U. S. Chamber of Commerce.

## Conventions

Sept. 30-Oct. 2—Ohio Agents, Hollenden Hotel, Cleveland.  
Oct. 2-3—Western Insurance Bureau, Atlanta Biltmore Hotel, Atlanta, Ga.  
Oct. 3-4—Pennsylvania Agents, Roosevelt Hotel, Pittsburgh.  
Oct. 7-11—National Safety Congress, Stevens Hotel, Chicago.  
Oct. 7-8—Missouri Agents, Connor Hotel, Joplin.  
Oct. 7-8—Massachusetts Agents, Bancroft hotel, Worcester.  
Oct. 7-10—Casualty Officials and Agents Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.  
Oct. 9-10—Kansas Agents, Bisonte Hotel, Hutchinson.  
Oct. 10-12—Insurance Accountants Association, Endicott, N. Y.  
Oct. 16—Maine Agents, Elmwood Hotel, Waterville.  
Oct. 17-18—Ontario Agents, Royal York Hotel, Toronto, Can.  
Oct. 17-18—Wisconsin Agents, Hotel Retlaw, Fond du Lac.  
Oct. 18-19—New Mexico Agents, La Ponda Hotel, Santa Fe.  
Oct. 24—Maryland Agents, Belvedere hotel, Baltimore.  
Oct. 24-25—Illinois Agents, Faust Hotel, Rockford.  
Oct. 25-30—California Agents, Biltmore Hotel, Los Angeles.  
Oct. 29-30—Indiana agents, Indianapolis Athletic Club.  
Oct. 30—New Hampshire agents, Carpenter Hotel, Manchester.  
Nov. 1-2—Arizona Agents, Westward Ho hotel, Phoenix.  
Nov. 8-9—Oklahoma Agents, Hotel Tulsa, Tulsa.  
Dec. 2-4—National Association of Insurance Commissioners, Pennsylvania Hotel, New York City.  
Dec. 5-6—Insurance Conference American Management Association, Palmer House.

## CHICAGO COMMUNITY FUND GROUP

S. A. Rothermel, Moore, Case, Lyman & Hubbard, has been appointed general chairman insurance division of this year's community fund campaign. Vice-chairmen insurance division are: fire, B. E. Moreau, manager St. Paul F. & M.; casualty, G. H. Moloney, vice-president Hartford Accident; life, E. W. Hughes, general agent Massachusetts Mutual,

## June 30, 1940 Statement Figures Filed in Georgia

	Capital	Assets	Surplus		Capital	Assets	Surplus
Aetna Fire .....	\$7,500,000	\$54,129,143	\$17,516,447	Mechanics & Traders.....	1,000,000	5,560,285	2,852,005
Agricultural .....	3,000,000	14,427,141	4,315,108	National Ben Franklin...	1,000,000	4,238,839	1,341,304
American Automobile .....	300,000	4,296,027	1,286,217	National .....	5,000,000	52,374,028	22,568,485
Baltimore American .....	1,500,000	6,260,366	2,002,057	National Liberty .....	4,000,000	19,533,864	7,693,070
British America Assur....	250,000	2,587,722	250,000	Northern, N. Y.....	1,000,000	12,027,550	5,034,751
City of New York.....	1,000,000	5,222,390	964,941	North British.....	500,000	15,174,908	7,049,050
Commercial Union Assur.	17,700,000	13,036,368	6,308,145	Norwich Union .....	500,000	5,734,223	1,745,909
Concordia .....	1,000,000	4,504,250	1,593,646	New Hampshire .....	3,000,000	16,595,859	7,818,686
Commonwealth .....	1,000,000	7,604,105	4,328,832	New Brunswick .....	1,000,000	5,210,870	1,824,059
Calvert Fire .....	1,000,000	3,497,367	1,550,446	National Retailers Mut...	.....	3,256,551	942,184
East & West.....	1,000,000	3,742,707	1,280,820	North River .....	2,000,000	21,643,510	12,101,482
Empire State .....	1,000,000	4,014,404	1,511,590	Pennsylvania Mutual...	.....	4,176,291	1,948,243
Federal .....	4,000,000	21,531,094	12,262,632	Paramount .....	500,000	4,822,296	1,822,296
Firemen's .....	9,397,690	38,557,105	6,853,341	Paul Revere .....	1,000,000	3,984,688	1,193,284
Globe & Rutgers.....	2,087,925	12,214,423	3,832,381	Phoenix, Conn.....	6,000,000	61,208,021	37,086,457
Georgia Home .....	500,000	2,882,613	646,952	Pacific Coast Fire.....	500,000	1,491,281	467,694
Grain Dealers National..	.....	3,757,874	1,514,416	Pennsylvania Fire .....	1,000,000	15,454,346	8,504,675
Gibraltar F. & M.....	1,000,000	3,654,977	988,987	Rhode Island .....	1,000,000	4,885,306	1,540,203
Girard Fire & M.....	1,000,000	4,977,993	1,549,338	Richmond .....	1,000,000	4,668,493	1,889,097
Granite State .....	1,000,000	4,251,356	1,494,199	Stuyvesant .....	500,000	1,436,984	600,088
Home .....	15,000,000	114,161,033	39,279,248	Scotch Union & Natl....	3,000,000	8,076,169	4,036,556
Hardware Mutual .....	.....	7,518,376	2,709,321	Security .....	2,000,000	1,403,184	4,000,000
Homeland .....	1,000,000	3,824,222	1,848,891	Standard Marine .....	450,000	3,819,637	2,427,672
Homestead .....	1,000,000	3,222,232	547,108	Travelers Fire .....	2,000,000	27,269,965	5,962,784
London & Scottish.....	250,000	1,509,734	850,460	Tokio .....	500,000	12,140,290	8,986,141
Lumbermen's Mut., Ohio..	.....	3,364,466	1,050,000	Transcontinental .....	1,000,000	4,175,193	2,362,245
Lumber Mutual Fire.....	.....	4,375,477	3,000,000	Union Ins. Society.....	450,000	3,275,122	1,781,323
Milwaukee Mechanics .....	2,000,000	11,410,463	4,249,996	World Fire & Marine....	1,000,000	6,554,092	3,911,148
Mercantile .....	1,000,000	7,284,444	3,897,806	Yorkshire .....	2,000,000	3,877,121	1,683,766
				Warner Reciprocal .....	.....	1,230,521	655,795

and Miss Joy M. Luidens, executive secretary Chicago Association of Life Underwriters; mutuals, J. A. Mills, secretary Lumbermen's Mutual Casualty; general, W. W. Hamilton, assistant secretary Chicago Board.

The insurance advisory committee consists of Dr. H. W. Dingman, vice-president Continental Assurance; R. M. Cunningham, vice-president Marsh & McLennan; Wade Fetzner, Jr., vice-president W. A. Alexander & Co.; E. A.

Henne, vice-president America Fore group; C. H. Smith, manager Hartford Fire; R. H. Hobart, general agent Northwestern Mutual Life, and H. G. Kemper, executive vice-president Lumbermen's Mutual Casualty.

**American Equitable Assurance Company of New York**  
Organized 1918 Capital \$1,000,000.00

**Globe & Republic Insurance Company of America**  
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

**Knickerbocker Insurance Company of New York**  
Organized 1913 Capital \$1,000,000.00

**Merchants and Manufacturers Insurance Company**  
Organized 1849 of New York Capital \$1,000,000.00

**New York Fire Insurance Company**  
Incorporated 1832 Capital \$1,000,000.00

**United States Fire Department**  
**Switzerland General Insurance Company, Ltd.**  
Zurich, Switzerland Established 1869



Losses paid exceed  
Two Hundred and Fifty Million Dollars

## DEPARTMENTS:

CHICAGO

SAN FRANCISCO  
KANSAS CITYPHILADELPHIA  
MONTREAL

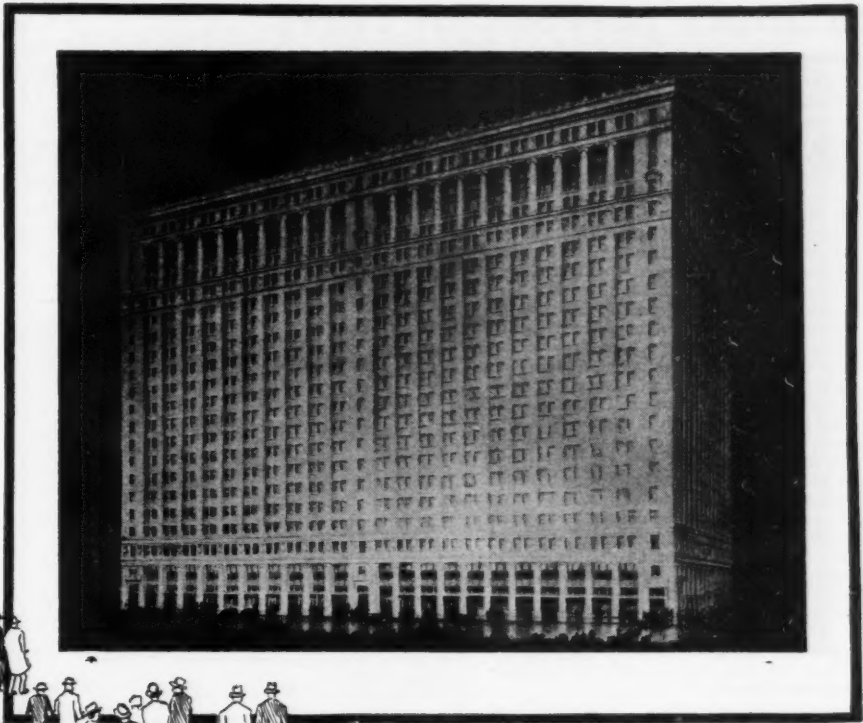
PITTSBURGH

Corroon &amp; Reynolds

Incorporated  
INSURANCE UNDERWRITERS  
MANAGER

92 William Street

New York



*just naturally* go to **Insurance People**  
**175 W. Jackson Blvd.**

It is only natural for people in Chicago, when they talk insurance, to think of the Insurance Exchange. Producers, policyholders, prospects and even mail carriers and postal clerks just assume that your Chicago insurance address is 175 West Jackson Boulevard. Hence, the reason why calls and inquiries are received daily by our office concerning some insurance company or agency located elsewhere in Chicago.

#### EXPERIENCED MANAGEMENT

The management of the Insurance Exchange is qualified by experience and training to handle your insurance office space problems. Our advice and experience gained through many years of satisfactory handling of insurance office layouts is available to you. Let us show you how the address 175 WEST JACKSON BOULEVARD can actually mean "dollars to you." Call or write

R. C. SWANSON, Manager

175 WEST JACKSON BOULEVARD is an address synonymous with insurance not only in Chicago and the Middle West, but also the entire country. Nowhere else will you find such a great centralization of the insurance business

in one area. Thus, it is only logical for company officials, branch office managers and leading agencies to select as their Chicago headquarters, the INSURANCE EXCHANGE BUILDING.

**INSURANCE EXCHANGE BUILDING**  
**175 W. JACKSON BOULEVARD • CHICAGO**



## ILLINOIS REPUBLICAN MOVE

The Republican insurance committee of Illinois has now completed its organization. W. J. Floreen of Rollins, Burdick, Hunter Co., Insurance Exchange, Chicago, is chairman of the insurance division of the Illinois Republican state central committee. John L. Clarkson of the Bartholomay-Darling-Clarkson Company of Chicago is chairman of the insurance committee, and Alvin S. Keys of Springfield is vice-chairman in charge of downstate organization work. Gail Reed, Insurance Exchange, Chicago, is vice-chairman of general activities. The three major objectives are, first, to defeat all attempts to establish federal supervision and control of insurance; next, to assure that the administration of the Illinois insurance department be efficient, effective and free from destructive operation of partisan politics, and third, to stop the diversion and coercion of honestly earned insurance business from its natural local channels to favorite politicians. The committee declares that the Republican candidates accede to these three principles. Wendell L. Willkie, candidate for President, stands for state supervision of insurance and D. H. Green, Republican candidate for governor, has given a definite pledge to follow out the second and third principles enunciated.

The initial expense of the undertaking has been underwritten by a group of prominent insurance men. Down in the state every county will be organized. In Cook county the committee is organizing by townships in the outlying districts and by wards within the Chicago limits.

The committee asserts that "through exceedingly sinister means, direct and indirect, insurance men who are devoting their entire time to the business have been deprived of thousands of risks that were on their books and have been denied a fair opportunity of writing such as their new business." The statement is made that "insatiable political greed has developed in the past two years and, therefore, it seems necessary to mobilize the insurance people of Illinois into a political unit that will command the respect of office holders."

Among the leading insurance men in Chicago and downstate who have agreed to support the organization are: A. J. Anderson, Kewanee; C. F. Axelson, Chicago; William Bartholomay, Chicago; Elmer D. Becker, Chicago; G. A. Brodine, Rockford; Charles Buresh, Chicago; Charles H. Burras, Chicago; H. J.

Chidley, Chicago; Robert L. Childs, Chicago; George W. Blossom, Jr., Chicago; H. H. Cleaveland, Jr., Rock Island; Lyman M. Drake, Chicago; Donald P. Frazier, Aurora; J. Logan Gover, Mattoon; Frank C. Hinchman, Jr., Galesburg; P. B. Hosmer, Chicago; J. E. Martin, Peoria; H. H. Monier, Campaign; D. V. Moody, Elgin; V. G. Muselman, Quincy; D. R. McLennan, Jr., Chicago; C. C. Nicholson, Decatur; Gail

B. Ranson, Jacksonville; Fred J. Sauter, Chicago; Harold Schoen, Elmhurst; George A. Seaverns, Jr., Chicago; Hermon D. Smith, Chicago; W. Herbert Stewart, Chicago; L. B. Tuthill, Ann; E. H. Walter, Chicago; G. W. Blossom, Jr., Chicago; C. O. Swanson, Chicago.

### Mutual Wins Ad Awards

Northwestern Mutual Fire's advertising was awarded honors in the recent advertising-sales congress in Cincinnati during the convention of mutuals there. In competition with mutual fire com-

panies from throughout the nation, the Seattle company led the field with 10 first awards in various classifications, and took top place in total awards given by winning 10 second and four third places. B. F. Urch is advertising manager.

### NEWS BRIEFS

At the luncheon meeting of Iowa Blue Goose, Sam Dorsey, general agent, talked on "Alibis."

The Wisconsin Blue Goose will hold its first fall meeting at noon, Sept. 28 at the Schroeder Hotel.



PHOTO BY GENDREAU

### Decision Rendered on a Tornado Policy

The Ohio court of appeals, first district, Hamilton county, modified and affirmed the decision of the lower court in Kenney, Jr., vs. Occidental, Hartford Fire, Phoenix Assurance and World F. & M., involving tornado insurance on a barge with a superstructure in the form of a dance floor which was moored on the Ohio side of the Ohio river. A windstorm drove the barge across the river and up onto the opposite shore. The plaintiff was unable to remove it and requested assistance from the insurance companies which denied all liability through their agent.

The insured abandoned the property, but was later able to remove the superstructure and sell the barge for \$300. The policies required a sworn proof of loss within 60 days and it was not given until the period had expired. The companies were held liable under the policies, the sum of \$300 to be prorated among them. The conduct of the agent was held sufficient to waive the filing of proof of claim within the period specified, the court held. The property having been abandoned, the court concluded that the loss of the barge was a constructive total loss and was a consequent loss from the windstorm which was the proximate cause and a direct result of the risk insured within the terms of the policy.

Strange, how much a harvest means to all of us. It's a symbol of peace, for instance. It's a monument to the fact that war has spared the countryside, has left it fertile and productive. It's a reward for hard work and constant care and long hours of worry.

Yes, and it's a promise of prosperity, too. A good harvest means more food on the table throughout the long winter, better clothes for the family, more money to spend on Saturday night picture shows.

The roots of most Americans, even those who never see a farm from one vacation to another, are bedded deep in the soil. A lot of us do our straightest thinking when we think in terms of planting and cultivating—and reaping a harvest.

The modern agent, like the up-to-date farmer, knows that he must use the best possible tools if he hopes for a good harvest. The tools of competent service from fieldmen, of sound

merchandising help, of sensible underwriting practices—all these are essential.

And these are the kind of tools we are putting into the hands of an ever-increasing number of alert, progressive local agents.

### THE MANHATTAN Fire and Marine

99 John Street

New York City



# Why have Fire & Casualty Premiums increased over 593 million dollars in the last 7 years?



Did you know that while the average cost of an American home decreased \$1800 since '33, the use of fire-barrier insulation increased over 600%?

AMERICA has turned to its homes in the last 7 years—faster by far than many people realize. And Fire & Casualty Insurance has profited from this rising tide.

Back of this growth lies the fact that since '33 America's pockets have been lined with a 50% increase in salaries and wages—a gain in earnings that built in 1939 *eight times as many homes as in '33 . . . bought 77% more automobiles . . . paid for 125% more home modernization and repair.*

## A GREAT NEW SALES FORCE

Just as the insurance field is furnishing more and better protection for these new homes and cars, so is *The American Home* magazine furnishing new, complete ideas on homemaking to over two million progressive American families.

These active-minded men and women readers turn to *The American Home's* wealth of ideas on home building and maintenance because *The American Home* publishes *more pages of such ideas than any other major magazine, weekly or monthly.*

We are proud to list, as companies who have contributed to *The American Home's* 300% advertising gain in the last 7 years—

The American Insurance Group  
The Employers' Group  
Home Insurance Company  
Phoenix Mutual Life Insurance Co.  
Prudential Insurance Co. of America

## FIRST

in percentage of Family Readers with INCOMES over \$1,000 a year among ALL WEEKLY and MONTHLY MAGAZINES with over 2,000,000 circulation

—in the same 7 years

The AMERICAN HOME magazine has grown from 300,000 to

2,000,000 Families



## Building Collapse Cover Not Much in Evidence

NEW YORK—As the direct result of the sharp controversy that developed in adjusting the loss on the large whiskey warehouse of the Hiram Walker plant at Peoria, Ill., a few years ago—the point at issue being as to whether the collapse of the building was caused by the fire, or the result of structural defects—a number of fire company officials considered the practicability of writing a building collapse policy, separate and apart from the fire contract. One company, the Aetna Fire, felt that a real field existed for such coverage and agreed to its issuance. Companies generally, however, held their respective charters gave them no such authority, and were of the further opinion that, the demand for strictly collapse indemnity would be so limited, that a sufficient spread of liability could not be had to justify seeking the line.

### Amendment Did Not Prevail

When the revision of the New York insurance code was in progress in 1938 the proposition was advanced by one of the committeemen, that a paragraph be inserted, giving fire companies the right to issue forms of coverage other than those specifically set forth. Opposition to this suggestion developed to such extent that the idea was abandoned; the result being that no company may now write building collapse insurance as a separate cover in this state, which would have been possible had the blanket clause proposed been adopted.

On the other hand, fire companies domiciled in New Jersey, providing their charters permit, may issue such contracts if they desire. Like privilege, it is understood, is allowed in many other states. No company would knowingly grant a collapse policy on a building the

owner of which had reason to believe was structurally defective, and yet such persons, it is felt, would be the most likely to seek the indemnity.

### Trinity Church Experience

Casualty companies, it is pointed out, may assume the hazard of a building collapse in connection with steam boiler policies, and would indemnify for the destruction of property if caused by a boiler explosion. An interesting example of the method by which a property owner may be safeguarded against loss through the fall of a building, or any part of it, is afforded by the experience of the Trinity Corporation here a few years ago. Noting that the steeple of historic Trinity Church was out of plumb, and fearing it might collapse, the trustees arranged for its repairing with a contractor who secured a policy covering his legal liability—quite apart from the customary contractor's liability—for whatever property damage might result; the trustees of the church being named beneficiaries.

Efforts to claim under the extended coverage of fire policies have been made within recent months by persons in Buffalo and on the Pacific coast, for structural damage to buildings caused by blasting in subway and other municipal work.

One immediate effect of the disputes that revolved about the Hiram Walker loss, was the demand of brokers handling large whiskey accounts that the falling building clause be waived from covering policies; a concession that was granted in a number, but not in all cases. It was noticed by the fire companies that the deletion of the clause came more insistently in relation to properties taken over from smaller con-

cerns by the major whiskey manufacturers, and requests in such connection were naturally studied with marked thoroughness.

### California Department Issues Many Licenses

SAN FRANCISCO—Since July 1 the insurance department has issued 5,766 solicitors' licenses compared with 5,559 for the entire 1939-40 license period. Of those issued, 3,892 are permanent and 1,874 temporary. Considerable of this outstanding increase in the number of solicitors licensed is accounted for by the enforcement of the code which requires licensing of clerical help in insurance offices as well as the licensing of automobile dealers. The work of the investigators of the division is also credited with "smoking out" a number who previously had operated "without benefit of license."

From July 1 to date there have been 16,403 permanent agents' licenses issued and 611 temporary agents' licenses; 707 permanent inter-insurance licenses and 120 temporary; 5,766 solicitors' licenses; 5,642 brokers; 13,022 permanent life licenses and 1,368 temporary; 703 disability; 684 limited disability; 706 "joint firm" (life); 80 bail agents; 124 bail solicitors and 20 bail permittees.

### Wagner with American States

G. V. Wagner has been appointed assistant manager Pacific department American States of Indianapolis. He will assist John Heninger, manager at Los Angeles. Mr. Wagner was formerly with the Los Angeles office Lumbermen's Mutual Casualty, Sewall-Brown agency and Bank of America.

### Howes with Trinity Universal

W. B. Howes has joined the southern California claims department of Trinity Universal. He has been with Firemen's of Newark at Los Angeles for the past year and a half.

## Shift J. J. Hubbell to Chicago Post



J. J. HUBBELL

J. J. Hubbell, assistant secretary of Security of New Haven at the head office, is being transferred to Chicago as resident manager. He will be in charge of the Chicago office, which is being opened on the 19th floor of the Insurance Exchange and he will supervise the activities of western field men. Also located in that office will be Ralph Tanger, western marine manager.

Mr. Hubbell was Michigan state agent for many years until he was promoted to the head office position. He was tendered a farewell dinner Tuesday at the New Haven Country Club by the Security staff and was presented with a set of golf clubs.

**RE-INSURANCE**

**FIRE • ALLIED • LINES**

INTER-OCEAN  
REINSURANCE  
COMPANY

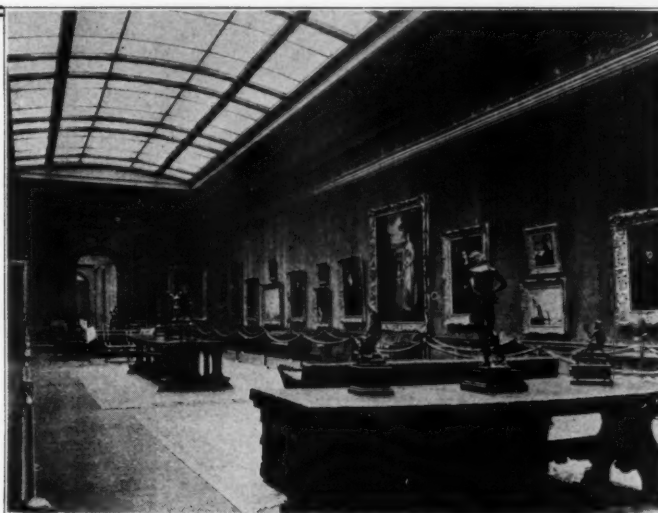
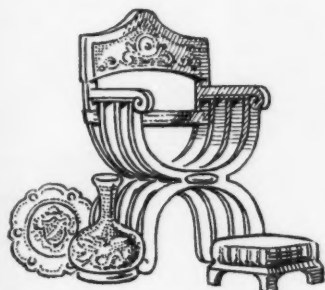
CEDAR RAPIDS, IOWA

90 John St.  
NEW YORK CITY

114 Sansome St.  
SAN FRANCISCO

215 W. 7th St.  
LOS ANGELES





## Fine Arts

Providence Washington and Anchor, under their "all risks" form, cover for account of individuals, museums, dealers, schools, colleges and others, antiques and objects of art of every nature and description. This contract can be issued to cover at one location or several. Floaters are issued covering within the limits of a city, a State, Continental United States and/or Canada. There are numerous special and addi-

tional broad covers that can be worked out to fit the necessity.

This brief of the Fine Arts policy shows only one of the many facilities offered by the aggressive inland marine departments of these two companies.

There is a great demand now for the broad coverages granted under inland marine forms. Assured will appreciate your calling attention to this broad coverage service.

*Write these agency minded companies for further information*



**PROVIDENCE WASHINGTON**  
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND

INCORPORATED 1799

CAPITAL \$3,000,000.00

**ANCHOR INSURANCE COMPANY**  
PROVIDENCE, RHODE ISLAND

INCORPORATED 1928

CAPITAL \$1,000,000.00





## Predicts Expansion of U. S. Companies

The "Review" of London refers to the historic speech of Prime Minister Churchill of England in which he said that the United States and British Empire will in the future be "somewhat mixed up." The "Review" says, "There are already indications that this will certainly apply to insurance relations. So far the Anglo-American insurance cooperation has been mainly one-sided, apart from the activities of the American Foreign Insurance Association, but there are indications that American insurance may take a more active interest in world insurance affairs, in the first instance, perhaps, chiefly in South America, but ultimately also in a wider sphere. That is only to be welcomed, and we think that in particular, American reinsurance, which is still able to trade with both belligerent parties, may be able to establish connections that may last after the end of the war, always provided a balanced view is taken and that no precipitate financing is undertaken of the kind which cost American financiers, including some insurers, dearly in the premature support given to Germany round about the time of the Wall street collapse in 1929."

### Modified Dude Ranch Rates

BUTTE, MONT.—A modified method has been adopted by the Pacific Board of specifically rating all properly qualified "dude or guest ranches" in Montana. The revised rates will apply only to specifically rated properties located on ranches or farms used for seasonal or periodical occupancy as "dude or guest ranches," with property located on land principally used for raising live stock or for agricultural or dairying purposes. Such land must be located outside the corporate limits of a city or town. Roadside or resort properties, including roadhouses, cabins, cottages or shelters used in connection with these occupancies are not subject to the new rates. Application must be made to the Pacific Board in writing for the publication or change in rates on such properties.

### San Francisco Forum Committees

SAN FRANCISCO—W. M. Mutch, president of the Fire Underwriters Forum of San Francisco, has announced the appointment of two new committees. First is one on public relations to be headed by Jack Helms of the Fireman's Fund. Others are Roy M. Coon, Pacific Board; J. H. Martin, Standard Forms Bureau; W. T. Seawell, Jr., In-

terstate Underwriters and H. Pierce North, Business Development Office.

The other is on loss information designed to encourage securing data from the Fire Companies Adjustment Bureau in order that various cases may be studied to assist in future underwriting. Members are P. F. Gardiner, Norwich Union, chairman; W. J. Henry, Pacific Board, and R. C. Alleman, Hinchman, Rolph & Landis.

### Tompkins on Northwest Trip

SAN FRANCISCO—L. P. Tompkins, recently appointed general inspector for the Pacific department of the

North British & Mercantile replacing J. A. Gallagher, deceased, has just completed a tour of the northwest states with Fred Wickard, inland marine superintendent at San Francisco. Mr. Tompkins is well known in the east and middle west, having served with the Michigan Inspection Bureau and later for four years with the Western Sprinklered Risk Association, Chicago.

### Ala. Places \$19,284,865

Alabama is placing \$19,284,865 worth of insurance on state properties and will divide it among 200 agencies, announced Governor Frank Dixon's secretary, who

said the state would specify that much of the coverage be placed with three Alabama companies, Birmingham Fire, Bankers Fire and Marine, and Stone-wall. The governor and A. R. Forsyth, state finance director, will direct the placement.

### Reserve Enters California

Reserve of New York has been licensed in California with Rathbone, King & Seeley, San Francisco, general agents. Reserve was organized recently by Chubb & Son at New York.

Articles of incorporation for the Gregory County Farmers Fire of Bonesteel, S. D., have been filed.



### AS SEEN FROM THE CAMERA OF HARRY H. FULLER AT THE BUFFALO CONVENTION.

1. H. E. McClain, Indianapolis, and G. E. Mikesell, Mishawaka; 2. Ray Murphy; J. J. Magrath, A. J. Smith and H. L. Wayne, New York; 3. Percy Dutton, Rochester; 4. Allan I. Wolff, Chicago, and W. H. Bennett, New York; 5. William Scott, Baltimore, Secretary Maryland association; 6. J. S. Phillips, New York, and A. P. Magoon, Buffalo; 7. Jerome Van Wiseman, New York; 8. Mrs. B. C. Holler, North Tonawanda, N. Y., and Mrs. Lillian Barrett, Buffalo; 9. Mrs. Gleason Lapey, Buffalo; 10. P. G. Lapey, Buffalo, and A. C. Glasser, President Buffalo association; 11. Mr. and Mrs. William B. Glassick, Los Angeles; 12. R. B. Lucas, Missouri commissioner; 13. S. M. Simpson, Greencastle, Pa., and Wellington Potter, Rochester, N. Y.; 14. Mr. and Mrs. F. C. Reichardt, Evansville, Ind.; 15. Mr. and Mrs. R. L. Martin, Milwaukee; 16. E. G. Johnson, Chicago; 17. Mrs. W. T. Scott, Baltimore, and daughter, Mrs. J. W. Frisch; 18. Linden Brand, New Orleans; 19. Mrs. Frank Pfalzer, Buffalo; 20. E. J. Savage, Chicago; 21. H. I. Callis, Santa Barbara, President California association.

Have you taken time lately to analyze all the things your companies give you that make for increased premium income? One—of course, they are sound. Two—they write many lines. Three—they settle losses promptly and fairly. Four—they have field men capable and interested. You wouldn't represent companies that offered you less. But do they offer you more?

The Boston and Old Colony's "more" is "Planned Progress."

What is "Planned Progress"?

You know that the only way you can plan a worthwhile insurance program for one of your customers is

to make an insurance survey for him—to study his insurance needs from every angle and then make recommendations. Our Research Department applies the survey method to agencies—checking methods, market, and competition, and then, based on this study, makes recommendations. That's what we call a "Plan of Progress."

If you are a leading agency in your community—or have made up your mind to be—write us a letter on your stationery asking for a copy of the booklet "Planned Progress," which tells the whole interesting story and gives proof that the plan works. You'll be under no obligation.

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**OLD COLONY INSURANCE COMPANY**



## AS SEEN FROM CHICAGO

### Insurance Club Meeting

The Insurance Club of Chicago will hold a meeting Oct. 1, when the subject will be the "American Agency System." The speakers will be G. H. Moloney, vice-president Hartford Accident in Chicago; Allan I. Wolff, Chicago, former president National Association of Insurance Agents, and Clark E. Nolan, president Illinois Brokers Association. At the special meeting Tuesday evening, Benjamin Richards, Underwriters Service, announced that the study classes of the Institute would begin Oct. 2. This year all groups starting the first year course will be together studying the fundamentals and main facts regarding insurance. Beginning the second year, they will branch off into three directions, one on fire, one on casualty and one on surety. The fire and casualty courses will be for three years and the surety, two. The surety course is new and will be in charge of H. N. Douglass manager New Amsterdam Casualty, and A. T. Graham, of the educational committee. The yearly fee has been reduced from \$10 to \$8. The Insurance Institute started 32 years ago. Mr. Graham awarded the certificates to those passing last year and also money prizes for those having the highest marks. President Peter Ericksen Underwriters Service, was in the chair. C. M. Cartwright, THE NATIONAL UNDERWRITER, gave a talk.

### START DEAN SCHEDULE CLASS

Starting Sept. 30, at 5:30 p. m. a class will be organized for study of the analytic system, more commonly called the "Dean Schedule," in the auditorium of the Chicago Board. The course will consist of a series of lectures covering the origin of schedule rating, its relation to the fire insurance business and illustrated slides of standards of construction and fire protection. Practical problems in rating and schedule rating will be worked out by the individual students. The latest edition of the schedule including Supplement 15 will be used. Supplement 15 embodies a revision in the classification of buildings, changes in the method of charging for structural deficiencies and numerous changes in charges for occupancy features. The fee is \$10 for the course.

### ADVISORY HAIL MEETING

The advisory committee of the Western Hail Association will meet in Chicago Nov. 7. At that time all the statistics for the season will have been mobilized and ready for analysis. The advisory committee's work is the most important in the organization. The experience of the year is carefully noted and studied. Any changes that are necessary then are made and the recommendations are sent to the annual meeting of the entire association, which will be held in Chicago Dec. 2. J. H. Macfarlane of Chicago, secretary America Fore, is president.

### WISCONSIN VETERANS MEETING

The Wisconsin Fellowship Club, composed of those that have traveled in the Wisconsin field, will hold its annual luncheon in Chicago, Oct. 22, the date of the Life Members Society meeting. H. L. Dalton of Milwaukee, the adjuster, is president; Clark Munn of Chicago, manager Cook County Loss Adjustment Bureau, vice-president and general manager; P. C. Metzger, London & Lancashire, secretary. A number of former Wisconsin field men attend the function and it is always highly enjoyable. The chief moguls are now in Chicago so the members there act as hosts.

### JOYS & GLOOMS DINNER

The Joys & Glooms will hold its annual meeting at the Hotel LaSalle, Chi-

cago, Oct. 21, the evening previous to the annual meeting of the Life Members Society of the Northwest Association. A. R. Monroe of Indianapolis, former president of the Newark Fire, is czar and W. E. McCulloch of Denver is scribe.

### LIFE MEMBERS MEETING

The officers and directors of the Life Members Society of the Northwest Association met in Chicago Monday with Vice-president E. T. Tanner of Rockford, Ill., executive assistant Security of New Haven, presiding in the absence of President W. T. Benallack of Detroit, secretary Michigan F. & M., who was detained on account of pressing business. It was decided to hold the annual meeting in the Illinois room of the Hotel LaSalle, Chicago, on the mezzanine floor the evening of Oct. 22. There will be a reception starting at 5:30 and there will be a banquet at 7 o'clock, it to be in charge of President Benallack.

There were present at the meeting Mr. Tanner, Secretary W. J. Sonnen, Treasurer R. F. Woltersdorff, Atlas; C. M. Cartwright, THE NATIONAL UNDERWRITER; A. F. Powrie, Fire Association;

J. R. Cashel, Providence Washington; M. D. Looney, Hartford Fire; P. C. Metzger, London & Lancashire; C. J. Munn, Cook County Loss Adjustment Bureau; W. L. Lininger, immediate past president. Mr. Tanner will welcome the new class of life members and W. J. Tippery, vice-president, who is assistant manager Aetna Fire, in case his health permits, will welcome associate members. Mr. Cashel was appointed alternate to act in his place if he is not on hand. W. B. Calhoun of Milwaukee was chosen as chorister. W. R. Townley of Chicago is chairman of the memorial committee. Mr. Cartwright and Mr. Woltersdorff are the entertainment committee.

Associated with Mr. Townley on the memorial committee are W. P. Robertson, North America, and J. G. Hubbell, National Inspection Company.

A. F. Powrie, Fire Association is chairman of the nominating committee, his associates being E. G. Frazier of the Springfield F. & M., and C. W. Good, London & Lancashire.

### McMULLEN ADDRESSES EXAMINERS

Explaining that there were four definite motives as to why people set fires, Horace McMullen, special investigator National Board, Chicago, chose as his topic "Arson and Incendiarism," while speaking before the Association of Fire

Insurance Examiners. The motives are: revenge, which comes from malicious intent or anger; covering up another crime, which might follow a murder or burglary; pyromaniac, a person whose delusions settle around fire, and fires set for insurance gains, which was labeled by Mr. McMullen as the worst type. He went on to explain the functions of the National Board, as well as its formation and history. John Porick, Hanover Fire, president, announced the annual managers' dinner in October, at which western managers and other executives attend in courtesy to their examining staffs. F. W. Doremus, Rockford, Ill., western manager American, will be the speaker.

### Cracks Free Insurance

"Free insurance" advertised by a Coffeyville, Kan., service station to gasoline purchasers has been prohibited by order of the Kansas insurance department. The station offered 24-hour accident insurance to each motorist buying gasoline. Protest was registered with the Kansas department by the Kansas Association of Insurance Agents.

The Minnesota Fire Prevention Association will make an inspection of Cloquet, Oct. 2. Harry K. Rogers of the Western Actuarial Bureau will address a public meeting.



Employers' Group Agents are landing more and more prospects with our three-point sales-promotion plan. First, our national advertising tells over 2,000,000 prospects a month *how* and *where* to buy insurance. Second, our direct mail material, which Employers' Group agents use, follows-up closely our national campaign. And third, The Employers' Pioneer, our monthly magazine is filled with new ideas in selling—beams that guide you in to perfect landings of better business.

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THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.



## Mutual Agents Are Holding Convention

**C. M. Boteler of Washington, D. C., President, Is in Charge**

WASHINGTON—The National Association of Mutual Insurance Agents' annual meeting convened here this week, preceded by a meeting of the board of directors. The anticipated attendance is over 500, or nearly double that of last year. The meetings will emphasize preparedness for mutual agents involving a thorough educational program. Meetings continue through Thursday, with the annual banquet Thursday night. A large number of delegates will attend the Fire Insurance Institute at Pittsburgh next week.

### Variety of Speakers

The business program consisted of a series of open discussions including addresses by G. W. Sulley, National Cash Register Co.; H. C. Spillman, National Association of Manufacturers; Fred W. Catlett, Federal Home Loan Bank board; Alfred M. Best, New York City, president Alfred M. Best Company; R. C. Baker, Mutual Fire Insurance Association of New England; J. M. Eaton, assistant general manager American Alliance; H. A. Kern, Central Manufacturers Mutual; R. L. Vanfossan, president 1752 Club, and Admiral E. J. King, Navy Department.

New state associations chartered during the year were New York, New Jersey and Mississippi. Plans were made to organize state groups in Alabama, Florida, Iowa, Texas, California and Arkansas. An active membership campaign is to continue under the direction of Executive Secretary Philip L. Baldwin.

### Officers in Charge

All meetings are being conducted by Charles M. Boteler, Washington, president, assisted by Vice-presidents W. C. Goodwin, Salem, Va.; T. F. McManus, Buffalo; Floyd Craft, Greensboro, N. C., and Secretary-Treasurer E. I. Oakes, Washington, who is also general chairman. The convention also authorized cooperation with national 1752 Clubs in selling mutual insurance. The latter organization's membership includes special agents in all agency mutuals. New directors elected for five years were W. H. Howatt, Springfield; G. D. Ratliff, Jackson, Miss.; Dudley Kincade, St. Louis; J. M. Zachary, Greenville, S. C.; B. F. Thompson, New Haven; J. E. Magnus, Chicago. The 1941 convention will be held in Charlotte, N. C.

### Peoria, Ill., Agents Group Hold First Golf Outing

The Peoria Insurance Agents Association held its first annual golf outing on Monday at Mt. Hawley Country Club, Peoria. W. P. Brown, president, presided at the banquet that evening which was given in honor of W. A. Wittick, the oldest insurance man in Peoria who is celebrating his 80th birthday. Mr. Wittick has been 53 years in the insurance business. He was presented a beautiful reading lamp in honor of this occasion.

Jeremiah McQuade of McQuade & Horstman, Peoria local agents, presented the golf prizes and told many of his famous Scotch stories as only "Jerry" can tell them. Glenn Mendenhall of Mendenhall, Iliff Bros. & Hauser, was in charge of registration and the entertainment.

The association's first party was a

### SITUATION WANTED Experienced Marine Man

With 25 years experience as Marine department manager with large Chicago brokerage concern dealing with every type ocean, lake and inland coverages. Would welcome interview. Please address M-25, The National Underwriter, 175 W. Jackson Blvd., Chicago.

great success and was attended by over 100 local agents and company field men.

### Companies Preparing Brief

In view of the attitude taken by the departments of Wisconsin, Missouri and Wisconsin toward the arrangement between the Home Owners Loan Corporation and the Stock Company Association, and the fact that the New York department has the matter under consideration. Members of the company body and representatives of the other interests involved, at a meeting here last Friday, decided to prepare a brief setting forth the aims and purposes of the

agreement. This is now being drafted and will be finished within a week or 10 days.

When completed, the draft will be submitted to President Blackall of the National Association of Insurance Commissioners for release to members of that organization. A copy will be sent Superintendent Pink of New York for use of the attorney general of the state, because Mr. Pink has requested a ruling from him.

At the semi-annual meeting of the commissioners' association at Hartford in June, a special committee was named to consider the HOLC-SCA arrangement with the suggestion that it be made a

subject for discussion at the annual meeting of the body in New York in December.

### Odenthal to Portland Office

Warner Odenthal has been transferred from the marine department Fireman's Fund, Los Angeles, to the Portland, Ore., office, where he will serve as assistant to E. A. Valentine, state agent. Mr. Odenthal joined the marine department of Fireman's in 1937 at Los Angeles, where he worked in the loss adjustment, underwriting and special agency departments. He replaces Russell Pierce, Jr., who is now on sick leave.



## A NEW SERVICE FOR OUR AGENTS

WE'LL bet a hat that a lot of people see this picture in the September 21 issue of *The Saturday Evening Post*.

With the picture they will read the first announcement of a new insurance service—available only through agents of The American Insurance Group. The story of the

picture is the story of *The American Way*. Hats and insurance have at least one thing in common. They must fit! *The American Way* offers a new means of making insurance fit.

The "Risk Detector"—first step in *The American Way*—offers a simple, effective means of listing individual

insurance problems. It gives agents the information they need to perform a thorough and complete insurance service for new clients, as well as those who have always shied away from insurance analysis. Advertising in national magazines is providing new contacts and new customers. Write for complete information. Address: The American Insurance Group, Dept. 519, Newark, N. J.

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THE American Insurance Group

Newark New Jersey

The American Insurance Company The Jersey Fire Underwriters

The Columbia Fire Insurance Company Dixie Fire Insurance Company

Bankers Indemnity Insurance Company

## NEWS OF FIELD MEN

### Mich. Association Expands Activities

DETROIT — The activities of the Michigan Fire Underwriters Association will be extended further into the fields of public relations, inter-associational relations and education this year, R. J. Price, New York Underwriters, who is president, reported at the first meeting of the new administrative year.

Michigan field men have stuck too close to their own internal affairs in the past, he believes, and should branch out into more aggressive activities for the benefit of the business as a whole. The propaganda about high fire rates has been appearing frequently of late and only one side of the controversy has been reaching the public.

#### New Committees Created

With this objective in view, as well as general agent education along fire insurance lines, Mr. Price has created the speakers committee to organize a group of field men able and willing to carry the true facts about fire insurance to agents and the public alike. Along similar lines, but restricted to the agents, the B.D.O. committee has been expanded in scope and renamed the development and educational committee.

A third new committee will be the inter-relations committee, whose purpose will be to cooperate with similar committees of all other insurance organizations operating in Michigan, looking toward a co-relation of activities of the various groups for the purpose of improving the business. A fourth committee is that on rules and forms, which will seek to bring about a standardization of forms and regulations in the field.

#### Accident at Golf Outing

Forty-three field men attended the annual fall golf outing of the Michigan Blue Goose at Glen Oaks Country Club. W. C. Howe, Wayne County manager for the Firemen's group, won first honors.

The enjoyment of the tournament by the members was marred by an unfortunate accident early in the game. G. H. Burchill, superintendent of the auto department of the Underwriters Adjustment and chairman of the tournament, while teeing off from the third hole was struck on the head by a ball driven from the first tee. He was rushed at once to a hospital in Farmington, where it was learned that he suffered a severe concussion but no fracture. He is recovering nicely and is back on the job again.

#### Kansas Field Men Honored

A. F. Wilson, Springfield F. & M. special agent has been announced as winner of the Kansas field men's membership campaign for the Kansas Association of Insurance Agents for the year ending Aug. 31 with 375 points according to Secretary Wade Patton. In second place was Tom. J. Randel, winner last year, with R. M. Corrigan, special agent for the Garrett Agency, and V. E. Herbert, Firemen's state agent in a tie for third. The state association membership is brought to a new all time high 474 paid members.

#### Alabama Fieldmen Elect

At the annual meeting of the Alabama Fieldmen's Association in Birmingham this week officers were elected for the incoming year as follows: President, L. W. Stynchcombe, Fireman's Fund, vice-president; B. A. Gibson, Home of New York, and secretary, E. H. Mathewes, Jr., North America. The new executive committee includes R. S. Greer, New York Underwriters; H. H. Sands, Royal; W. H. Lemmond, Norwich

Union; W. G. Ward, Brame, Ward & Hancock general agency; E. G. Darling, Aetna Fire, and R. C. Patterson, Commercial Union.

#### Lainghas Goes with Atlas

G. B. Lainghas becomes special agent in eastern Massachusetts and Rhode Island for the Atlas and Albany, succeeding J. F. Driscoll, resigned to enter the general agency business in Boston. Mr. Laing was born in Gloucester, Mass., and entered the business in 1927 with O'Brien, Russell & Co. in Boston. He covered New England territory for the St. Paul F. & M. and Mercury and four years later was made chief underwriter for the agency, which position he now leaves.

#### Bauman Goes to Phoenix

W. E. Bauman of the San Francisco office of the Firemen's of Newark group for 13 years, has been transferred to Phoenix, Ariz., where he will establish an adjusting department in connection with the Arizona branch office. He is a graduate of San Francisco Law School and a member of the California

bar. Seventy associates in the Pacific department tendered him a farewell banquet, Secretary R. W. Walbey being toastmaster.

#### Mell with the Hanover

In succession to E. G. McLin, Jr., resigned a short time ago to travel Florida for the Fidelity & Guaranty, the Hanover Fire appointed H. C. Mell, as state agent for Georgia, with headquarters in the Trust Company of Georgia building, Atlanta. Having been in the field for the Liverpool & London & Globe for a number of years, he knows the territory, its business and problems from every angle.

#### Brown Made N. M. State Agent

St. Paul Fire & Marine has appointed James K. Brown, who has been a local agent, as state agent in New Mexico to succeed E. C. Dice, promoted to state agent in Oklahoma. The independent field arrangement made effective in New Mexico a year ago has worked out so well that it will be continued.

Mr. Brown is a native of Kansas and a graduate of the University of Kansas. For several years he has been associated with the St. Paul either as a local agent or with agencies that represented one or more companies of the St. Paul group. Both he and Mr. Dice have

been at the home office the past week getting instruction on their new work.

#### Ky. Actuarial Bureau Changes

K. C. Dick, formerly with the Paducah branch office Kentucky Actuarial Bureau, has resigned that connection to go with National Fire as engineer western department, Chicago.

C. E. Koeppen, branch manager at Ashland, has resigned and has been succeeded by D. E. Freer from the Lexington branch office.

H. H. Hummel, for some years assistant manager of the Bureau, under manager G. H. Parker, is relinquishing his duties in order to handle outside work as a result of poor health. Mr. Hummel is taking a two weeks leave of absence, prior to taking up his new duties.

Curtis Bristol, also from the Paducah branch office, has resigned to go with North British & Mercantile as engineer Louisville office.

#### New Officers for Alamo Pond

SAN ANTONIO—At the meeting of the Alamo Blue Goose, J. C. Griswold, delegate to the grand nest gathering, reviewed the highlights of the Philadelphia meeting.

Because of the vacancy created by the death of R. E. Alstead, Home, A. L. Thompson, Springfield Fire & Marine,

AUTOMOBILE • FIRE • INLAND MARINE!!

The **RIGHT** Coverage



It is our policy to help our agents write policies that are right in every respect . . . with special protection to meet special requirements . . . so that every contract meets precisely every detail of the assured's needs. We will welcome the opportunity to help work out your problems.

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San Francisco  
200 Bush Street



## Boedeker Leaves Agency to Join Royal Exchange

M. W. Boedeker, Watkins-Boedeker agency, Louisville, is withdrawing from



M. W. BOEDEKER

his connection with Lowry Watkins, in order to accept field work with Royal Exchange, succeeding G. W. Aikin, who recently left the company to go with Firemen's group. The Watkins-Boedeker agency was for a number of years known as the Pirtle, Weaver & Menifee agency.

Mr. Boedeker has been in the insurance business for 18 years, starting with Travelers at Louisville. He served two terms as president Louisville board, and also served the past year on the executive committee National Association of Insurance Agents. He is a member of the executive committee Kentucky Association of Insurance Agents.

became guardian; Thomas Holleran, Standard of New York, keeper, and S. A. Dunn, Hartford, welder.

Mr. Griswold was named to draw up resolutions on Mr. Alstead's death.

### Seattle Blue Goose Gather

SEATTLE—Seattle Blue Goose held its first fall meeting, G. A. O'Sullivan past most loyal gander, reporting on the Philadelphia grand nest meeting. A memorial was read to E. W. Porep, agency superintendent North America, who died.

### Educational Program Outlined

At the dinner meeting of the New Jersey Field Club in Newark, Lawrence Ackerman, professor of insurance at the University of Newark, gave a broad outline of the educational program being sponsored by the New Jersey Association of Underwriters.

### Texas Pond Meets Sept. 30.

DALLAS—Texas Blue Goose will have its first meeting of the year at Lakewood Country Club Sept. 30. Golf will be played in the afternoon, followed by dinner. Guest speaker will be Coach Matty Bell of Southern Methodist University.

### Pennsylvania Field Meeting

The first fall meeting of the Pennsylvania Field Club will be held at a luncheon Oct. 7 at the Hotel Harrisburger, Harrisburg. H. R. Teitrick, chief of the division of agents and brokers of the insurance department, will speak on "Insurance Department Regulations."

### San Francisco Pond Drive

W. M. Mutch, chief underwriter Travelers Fire on the Pacific Coast, membership chairman San Francisco

Blue Goose, appointed members of his committee, assigning each a quota which, if reached, will increase the pond's membership by 60. Mr. Mutch pledged 10 new members.

### Oregon Pond Resumes Meetings

Oregon Blue Goose resumed its bi-monthly meetings, September 13, R. F. Owen, most loyal gander, reporting on the grand nest meeting in Philadelphia.

### Oregon Public Speaking Plan

PORTLAND, ORE.—The Oregon division of the Special Agents Association

of the Pacific Northwest has undertaken a public speaking course of its own under the guidance of Mrs. Blanche Demorest, well known public speaking instructor. The classes will be held each Monday evening from 7 to 9, and is principally for the benefit of the special agents who each year conduct educational meetings throughout the state for the benefit of the local agents. B. Thompson is president of the Oregon association.

The Sunflower Blue Goose puddle, Wichita, voted to continue their Inter-High School Fire Prevention Playlet Writing Contest among the five Wichita

high schools, awarding cash prizes. The project is in cooperation with the Fire Prevention Week program of the Wichita Chamber of Commerce. A large attendance was present for the opening fall meeting. M. E. Butler, Big Toad, farm special agent North America, presided.

E. J. McDonald, general adjuster for the St. Paul Fire & Marine, is recovering nicely from injuries suffered a week ago in a fall at his cabin at Lake Hubert in northern Minnesota.

The Blue Goose Speakers Club at Fargo, N. D., will hold a luncheon meeting at the Graver Hotel, Sept. 30.

# ☆☆ ROOTED DEEP ☆☆ in our American Life ☆



REMEMBER Bull Run! Shiloh! Vicksburg! Harper's Ferry! Gettysburg! Richmond! And finally April 9, 1865, when the

Civil War ended at Appomattox! Well, just two months before Appomattox Millers National commenced operations on February 15, 1865.

In 1869, four years after the Company's establishment, the golden spike was driven at Promontory, Utah, completing the first transcontinental railroad of our fast-growing nation.

During that centennial year, 1876, commemorating the signing of the Declaration of Independence, Millers National's companion company, the Illinois Fire Insurance Company was founded.

The Millers National already was 28 years old when Thomas A. Edison, in 1893, gave the first practical demonstration of a motion picture machine at Chicago's Columbian Exposition.

Five years later, those stirring events of the Spanish-American War—The Maine, San Juan Hill, and Col. Teddy Roosevelt, the Rough Rider! By then the Millers National was a seasoned company a third of a century old.

In 1903, when the Company was 38 years old, newspapers carried the headline, "Man Conquers the Air," and off the sands of Kittyhawk the Wright brothers completed their first successful airplane flight.

And in 1907, when Lieut. Col. George W. Goethals took charge of construction of the Panama Canal, the Millers National already had been in business for 42 years.

Progress, creations, inventions that changed the very face of the globe. Years of growth. From seeds planted in 1865 the roots of Millers National Insurance Company sink deep in our American life.

**MILLERS NATIONAL Insurance Co.**  
Home Office: CHICAGO \* Established 1865  
**ILLINOIS FIRE Insurance Co.**  
Home Office: CHICAGO \* Established 1876  
Service Headquarters for Alert Agents



## VIEWED FROM NEW YORK

—By GEORGE A. WATSON—

### CENTRAL BUREAU REPORT

The report of the Central Bureau shows that unpaid earned premiums of fire companies for April, 1940, were \$12,552, as against \$12,816 for the same month in 1939. For casualty companies, the comparative figures were \$50,146 and \$61,481. The decrease for the fire companies was \$263; and for the casualty companies \$11,334.

### BIG FIRE LOSSES IN AUGUST

Fire losses in the United States and Canada in August estimated at \$100,000 or more as reported by the New York "Journal of Commerce" are shown below:

East Somerville, Mass., Somerville Fuel Corp., \$100,000; Newark, N. J., half of city block, \$200,000; Ventnor, N. J., municipal pier, \$130,000; Harrisburg, Pa., warehouse and office, \$400,000; Shamokin, Pa., shoe and clothing stores, \$150,000; York, Pa., store and office building, \$150,000; Lafayette, La., salt mining plant, \$750,000; North Wilkesboro, N. C., chair plant and shoe tannery, \$300,000; Paoli, Ind., tomato products factory, \$100,000; Hopkinsville, Ky., hotel, \$250,000; Ludlow, Ky., lead plant, \$250,000; St. Joseph, Mo., 5 and 10 cent store and cafeteria, \$200,000; Cleveland, O., lumber yard, \$100,000; Columbus, O., sheet metal plant, \$150,000; Tulsa, Okla., two factories, \$106,000; Knoxville, Tenn., concrete pipe plant, \$250,000; Avon, Cal., Associated Oil plant, \$100,000; Colusa, Cal., furniture and electrical appliance store, \$100,000; Los Angeles, 40 mountain and resort homes, \$100,000; Los Angeles, oil plant and warehouse, \$175,000; Los Angeles, macaroni and cracker factory, \$100,000; San Diego, Cal., seed and grain warehouse, \$100,000; San Francisco, Golden Gate International Exposition building, \$500,000; McCall, Ida., business block, \$100,000; Miles City, Mont., W.P.A. warehouse, \$100,000; Yakima, Wash., lumber yard and Western Fuel plant, \$110,000; and Brantford, Ont., cannery, \$300,000.

### S. B. L. I. MEN MEET

To develop ways of telling more people about over-the-counter life insurance, representatives of the New York and Massachusetts savings bank life insurance systems held a three-day session at the country home of Judge E. A. Richards, president savings bank life insurance fund, at Bay Oaks, Mattituck, N. Y. Judge Richards, who is also president of the East New York Savings bank of Brooklyn, was the earliest and most ardent champion of savings bank life insurance among New York's savings bankers.

### MIDYETTE AT NEW YORK OFFICE

Payne H. Midyette of Tallahassee, Fla., the new president of the National Association of Insurance Agents, following the convention at Buffalo, went to New York City where he has been at the executive office chiefly in conference with Secretary and General Counsel W. H. Bennett.

### SUGGESTS DEFER ANY RESPONSE

Pending a ruling by the administration as to whether or not the wage and hour law is applicable to insurance company employees, J. H. Doyle, general counsel of the National Board of Fire Underwriters has suggested to member companies receiving demand for compliance with the act from regional offices, they defer making response, stating the matter is now pending before the administration at Washington.

### HEARING AT ROCHESTER

A further in the series of conferences held by the joint legislative committee for revision of the insurance law, will take place at the Hotel Rochester, Rochester, Oct. 3-4, when insurance men and property-owners throughout the western section of the state will be afforded opportunity to express their

views both as to the proposed new standard fire policy and the motor vehicle liability insurance bill. Some time later, probably in November or early December, a further and final meeting upon the two subjects will take place in New York City; following which the legislative committee will formulate its report and recommendations for submission to the 1941 session of the legislature. It has been suggested, though no action thereupon has yet been taken, that preceding the final meeting of the committee a joint gathering of its members with representatives of the department and of underwriting fraternity—company men, agents and brokers—meet informally in an endeavor to compromise present differences regarding the proposed new standard fire policy.

### FLEMING IN MANY TALKS

T. A. Fleming, head of the conservation and fire prevention division of the National Board, newly home from a series of speaking engagements before insurance and general business organizations in Canada and in Maine, is scheduled to address further gatherings both in this country and across the border within the next several weeks.

At Callender, Ontario, he was speaker at the annual convention of the Metal Mining Industry, next appearing before the Maine Safety Council at Portland, his theme at the former gathering being fire hazards in connection with metal mining operations, while his talk at Portland centered about dwelling house fire dangers, and the most effective means for their avoidance.

He is scheduled to address the Michigan State Conference of Credit Men at Jackson, Oct. 25, the Credit Men's Association of Milwaukee, the following day, and the insurance and credit men's

organization at Cincinnati, the first week in November, at a date yet to be arranged. His engagements in connection with Fire Prevention Week, Oct. 6-12, include talks at Buffalo, Oct. 8; Trenton, the following day; Lakewood, Ohio, on the 10th; and before the National Safety Conference at Chicago, on the 11th.

An interesting incident in connection with his trip to Callender was a visit to the home of Dr. A. R. Dafoe, and a chat with the famous quintuplets, being presented upon leaving with an autographed photograph of the famous physician and his equally well known charges. The visit was arranged by W. J. Scott, fire marshal of Ontario and the latter's first deputy, J. E. Richie.

### ACTION OF THE BROKERS

The executive committee of the General Brokers Association of the Metropolitan District of New York City held a meeting to discuss the effect of the Burke-Wadsworth conscription bill which has been signed by President Roosevelt with regard to the possible effect which the act will have upon the membership and office staffs of companies, agencies, brokerage offices, bureaus and associations. A subcommittee was appointed and in a resolution adopted it is urged that all insurance offices of any kind declare as to their personnel policy that all conscripted employees at the conclusion of military service will be restored to their accustomed positions without penalty or loss as to salary, status, title, seniority or rank, group insurance, retirement and other benefits.

### WHAT BRITISH COMPANIES DID

During the war years of 1914-18, the British fire companies at home paid full salaries to all employees engaged in active service less the base army or navy pay and without deduction for bonuses of various kinds which many of the soldiers and sailors received as special awards. In addition the companies



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NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

**OF FIRE INSURANCE COMPANIES**

granted bonuses to staff employees at home to offset the increased cost of living. The understanding is the same policy is being pursued during the present conflict. Companies here, however, point out that this country is not engaged in war and unless or until it becomes so involved, no similarity of obligation exists between employers of the United States and those of the warring nations.

#### KIDDE WARNS INDUSTRIAL PLANTS

Urging industrial plants to follow three precautionary steps rather than to embark on "witch hunts" among their employees, John Kidde, New York engineer, warned that no country accepting foreign war orders can hope to escape sabotage fires. He said that with America's industrial structure already weakened by fire at the rate of more than \$10,000,000 a month, this year's fire prevention week is of greater significance than ever before.

Listing the three steps, Mr. Kidde said: "Institute a campaign for top-notch plant housekeeping to eliminate unnecessary hazards and careless habits, teach employees how to fight fires, organize fire brigades and stage frequent fire drills, and analyze the hazards in plants and warehouses and adopt the most advanced fire safeguards." In this last step, he added, the advice of insurance men, fire department officials and manufacturers of fire protection equipment can be of great help.

## Militant Action on HOLC Control Taken by Mutuels

(CONTINUED FROM PAGE 5)

Mutual Fire, Salt Lake City, a member of the committee.

F. J. Kotz, Richland Equity Mutual, reporting for the credentials committee, said that 391 companies were represented and that with 51 new members, total membership reached 901 companies. R. J. Chase, Farmers Mutual of Orleans and Niagara, N. Y., gave the memorial committee report.

#### Comment on the Iowa Quiz

Some interesting observations were made by J. H. Chapman, field representative Mutual Reinsurance Bureau, Belvidere, Ill., at the joint automotive and casualty and city and town group meeting. He said that the situation is all wrong when agents know more about the business than the field men. He cited results of a question and answer session at the Iowa Association of Insurance Agents meeting which showed that the agents group made a considerably higher score in answering questions on the business than a similar group of field men. There is no reason why a good field man should not answer such a set of questions 100 percent right, Mr. Chapman said.

#### Should Have Full Time Agents

There is a tendency to be too greedy for premiums with too much emphasis on the production end, Mr. Chapman added. A company should carefully investigate prospective agency appointments and appoint only full time good men when possible. Field men should know their field thoroughly and should carefully plan their work with the agents. It often happens that the fieldmen become nothing but collectors and it is a mistake if they spend 51 percent of their time collecting balances.

Too many times, Mr. Chapman said, agents waste time soliciting business

that a company should not have on its books. In this connection, he stated that dividends should be paid out of underwriting profits and it was unwise for a company to pay dividends out of its surplus year after year.

In discussing the expense and loss ratios of a representative group of mutual companies, Mr. Chapman said that in 1919 the expense ratio was 25 percent, increasing in 1929 to 34 percent. The loss ratio of the same group of companies increased from 31 7/10 percent in 1919 to 38 3/10 percent in 1929. The loss ratio of the stock companies remained practically static at 45 percent.

Advice to concentrate on the average or medium sized risks was given by Mr. Chapman. He pointed out in this connection that there were many desirable small business risks such as clothing and dry goods stores, restaurants, manufacturing establishments, etc. Many agents, he said, do not have an adequate book-keeping system, consequently they do not know whether they are making money or not. One of the most complete systems he had ever seen, Mr. Chapman said, was kept in an old policy record book. He suggested that the agent keep a bank account for company money separate from his personal funds. If this is not done, there is greater difficulty in keeping the records straight. He advised agents to plan their day's work in advance. Old customers are, he said, the best customers.

#### Deliver Policies Personally

He recommended that the agent deliver personally as many policies as possible rather than simply mailing them out. Renewals should be checked 30 days ahead. Sixty days, Mr. Chapman said, is the absolute limit for collecting balances.

In commenting on the same subject, H. J. Rowe, Home Mutual of Iowa, said that he would prefer to have 100 applications from many agents rather than 100 applications from one agent. One

expiration, he said, is almost always good for an application.

Approximately 5,000 individual pieces of advertising matter representing 150 companies were on display as a feature of the tenth annual Mutual Insurance Advertising-Sales Conference. F. W. Lahr, Indiana Lumbermens, was elected president of the conference; Frank Davis, Utica Mutual, vice-president; D. W. Sperry, Minnesota Implement Mutual, secretary-treasurer. Company first award prize winners were: Section one, State Farm Mutual, Bloomington, and Shelby Mutual Plate Glass, Shelby, O., four each; Auto-Owners, Lansing; Indiana Union Mutual, Indianapolis; Pioneer Mutual Fire, Lansing; and American Farmers Mutual Auto, St. Paul, three each; Section two, Liberty Mutual, 14; Northwestern Mutual Fire, 11; Central Manufacturers Mutual, 7; Employers Mutuals, Wausau, Wis., and Lumbermens Mutual Casualty, 6 each.

New departmental directors are: Automotive and casualty, J. R. Otto, Auto-Owners, Lansing, Mich.; city and town, D. A. Tripp, Illinois Mutual Fire, Belvidere, Ill.; farm, W. R. Rowe, Northern Neck Mutual Fire, Irvington, Va.; hail, F. O. Rutledge, Farmers Mutual Hail, Des Moines; windstorm, W. C. Children, Pottawattamie County Mutual, Council Bluffs, Ia.; grange mutuals, C. V. Campbell, Licking County Patrons Mutual, Newark, O.

#### New Hampshire Agents Meeting

MANCHESTER, N. H.—The New Hampshire Association of Insurance Agents will meet at the Carpenter Hotel in Manchester, Oct. 30. The banquet will be held on the night of the 30th. George W. Scott, assistant secretary of the National association, will be one of the chief speakers. The New Hampshire Insurance Women's League meets on the morning of Oct. 30 and will have a luncheon at noon. R. S. Perkins of Manchester is president of the agents' association.

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## EDITORIAL COMMENT

### More Memories of Buffalo

W. S. CRAWFORD, insurance editor of the New York "Journal of Commerce," in commenting on the editorial in the last issue entitled "Hallowed Memories of Buffalo," in which reference was made to some of the incidents of the National Association of Insurance Agents meetings in that city, speaks of the remarkable oration, for it was nothing else, that was given by J. H. Southgate of Durham, N. C., when he was president, and serving at the second Buffalo convention. As will be remembered, Mr. Southgate paid a remarkable eulogy to C. H. Woodworth, who was the second president of the organization and resided at Buffalo. Mr. Southgate was an orator "to the man-

ner born." He had all the southern flair for oratory and on the platform he could not be excelled.

Mr. Crawford says, "I heard Mr. Southgate's eulogy of Mr. Woodworth. It was so grand and eloquent that Henry H. Putnam's secretary cried and forgot all about taking the speech down for the minutes." Mr. Putnam at that time was secretary of the National Association of Insurance Agents and resided in Boston. It was very appropriate that Mr. Putnam should have sent a telegram of greetings and good wishes to the officials meeting in Buffalo last week. This telegram was read at the get together dinner and received a very hearty response.

### Inconsistency of Business Groups

A remarkable juxtaposition of text is found in the report in "Editor & Publisher" of Sept 14 of the fall meeting of the New York State Publishers Association and New York Press Association.

Members of both bodies have organized a safety insurance group within the State Insurance Fund that will effect a considerable saving in insurance premiums, "Editor & Publisher" reports. There are two paragraphs concerning the cooperation between the publishers and the State Insurance Fund. Then comes this paragraph:

"The committee on legislation, for which Henry M. James, Hudson Star,

reported, recommended that the association protest against the establishment of a state printing plant and that it favors the establishment of a fair printing price schedule on state printing."

Here is an amazingly good example of the failure of business men to give consideration to what happens beyond their own immediate compartment in the business world. In one breath the publishers are taking the fullest advantage of state insurance and in the next breath are deploring any effort of the state to provide a facility for itself which the publishers are equipped to provide.

### Grass Roots of Insurance Democracy

In these perilous times government under the democratic system as we know it is being put to its most severe test. We who have lived and worked under this plan of living and government are almost prostrated at the dictatorial juggernaut that is overwhelming democracies across the seas. In our scheme of government and living we have always felt that the ultimate good sense and judgment of people prevail. We believe thoroughly in responding to public sentiment when it has had time to think and study.

The democratic plan of operation established by the national government has been carried down through the ways of living. The town hall basis still survives and where the people at large cannot congregate to discuss and decide what is best, they send their accredited representatives to speak for them.

In the insurance business we have es-

tablished as far as possible this democratic form of government. It is truly and genuinely exemplified just at this moment in the National Association of Insurance Agents. In times past it has been said that the large cities dominate insurance. Naturally with great values centered there, with all the problems found in the metropolitan centers, with producers closer to company headquarters, there may have been some merit in the thought that the large agencies and offices command. Yet the National Association of Insurance Agents while it has had large city men at the helm has always believed in giving the smaller city people an opportunity to head the organization.

After all it is in the rural areas where the grass roots of insurance can be found and where true democracy reigns. The agents there are not so sophisticated, they still believe in plain and

simple living and high thinking. At the Buffalo convention the three officers elected are all small city or small town men as witnesseth, Sidney O. Smith, Gainesville, Ga., chairman of the executive committee; Payne H. Midyette, Tallahassee, Fla., president; R. G. Forshay, Anita, Ia., vice-president. Gainesville is a town of 8,600 people. Tallahassee has 10,700 people. Anita, Ia., is a village with 1100 folks.

Fortunately the National Association of Insurance Agents chooses good men

for officers regardless of where they reside, although it aims to give all sections of the country a square deal. The president and chairman of the executive committee are both from the south. Mr. Forshay hails from a small village, an agricultural community. Yet he is a large man in the association circles and in his own community. It is well that we keep close to the native soil. It is heartening to see democracy in action in this organization. It is a healthy sign when we see all hands united.

## PERSONAL SIDE OF THE BUSINESS

There was much interest and pleasure in New York fire insurance circles when the recent marriage of Mrs. Richard J. Kastner and W. A. Rattleman, New York manager National Union, was announced. Mr. Kastner was secretary and treasurer of Corroon & Reynolds prior to his untimely death in 1937. Mrs. Rattleman died a few years before that.

Henry F. Hoffmeister, assistant manager, Standard, Chicago, was married last week to Miss Herta Buddenhagen, who is with the office of Strom, Carlson & Lauer. They will make their home in the city. Mr. Hoffmeister started in the insurance business with the Chicago branch of Liverpool & London & Globe, and has been connected with Standard for the past 13 years.

R. S. Andrews of Sioux City, Ia., regional vice-president Iowa Association of Insurance Agents, has been confined to his home since the state convention in Des Moines due to phlebitis.

W. L. Steele of Nyack, N. Y., underwent a very serious operation recently at a hospital in New York City. He was formerly western manager and later vice-president of the Niagara Fire at its head office, remaining in the latter position until the company was purchased by the America Fire. His wife died suddenly a few years ago. Mr. Steele has maintained his home at Nyack where he has a delightful location. His friends are very much concerned as to his condition.

W. J. Tippery of Chicago, assistant western manager of the Aetna Fire, has gone to his home, 1508 Oak avenue, Evanston, Ill., following a considerable stay at the Evanston Hospital where he was treated for bronchial pneumonia. Mr. Tippery has not been in good shape during the summer and pneumonia finally overtook him. He is now recuperating.

J. J. Flynn, 86, vice-president Burlington Mutual Fire, and prominent local business man, died at his home in Burlington, Vt.

The Stock Fire Insurance Field Club of Virginia presented M. B. Warren a desk set before he left Richmond for New Orleans to become state agent in Louisiana for the Continental and American Eagle with headquarters in that city. Mr. Warren supervised the Continental in Virginia for nearly 20 years and was active in the field club.

Colonel J. F. Cogsdill, president Bankers Fire & Marine, is among several prominent business men called for active duty with the Alabama national

guard on Nov. 25. The board will meet soon to consider the matter.

Mr. and Mrs. David F. Barrett of St. Louis have issued invitations to the marriage of their daughter, Mary Louise, to James J. Brassil on the morning of Sept. 28 at 9 o'clock in Our Lady of Sorrows Church. The Barretts reside at 5149 Rosa avenue in St. Louis. Mr. Barrett is a well known insurance newspaper correspondent and is publicity director of the American Life Convention.

F. W. McComas, 69, a vice-president of J. Ramsay Barry & Co., Inc., insurance brokers, Baltimore, died at his home in this city after a prolonged illness. A native of Hagerstown, Md., Mr. McComas went to Baltimore in 1890 to take up insurance. Funeral services were held at Grace & St. Peters Protestant Episcopal Church, where he was a vestryman and warden.

Lee Loventhal, Loventhal Bros. agency, Nashville, is reported much improved at a local hospital following a recent serious operation.

Among those sailing on the United States liner "America" for a cruise to the Virgin Islands, Puerto Rico, Haiti and Cuba were E. W. Geisler, manager Pittsburgh office Fred S. James & Co., and Mrs. Geisler.

"How to Keep from Going to Blazes" is the title of an article written by T. A. Fleming, supervisor of conservation, National Board in the October issue of "Better Homes and Gardens."

Benjamin Harrison, youngest son of W. H. Harrison, veteran Iowa fieldman, has resigned from his position with Fireman's Fund in the Chicago office and has entered Drake University to take up an advanced music course. This breaks up the family combination in which the three sons were following in their father's footsteps. Benjamin plans to teach music. He was an organist in a Chicago church and has been appointed assistant organist now in a Des Moines church. He is said by music experts to have unusual talent.

C. B. Smith, of Lansing, Mich., former president National Association of Insurance Agents, was reelected chairman of the Ingham county Republican committee. He has been directing an aggressive campaign after having served on the resolutions committee at the national convention in Philadelphia.

Col. Clarence Goldsmith, chief engineer of the National Board at its Chicago office, who is on the reserve



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military list in the engineers' corps, has been called to Washington, D. C., and, therefore, will be in the army for the next year.

## DEATHS

**J. R. Hinton**, special agent Fireman's Fund in North Carolina, died in Greensboro. Although he had been in poor health for the past two or three years, in recent months he had been active in the field. Before joining the Fireman's Fund about ten years ago, he was engineer for America Fore in this territory. Mr. Hinton has been succeeded by J. D. Ambrose. Mr. Ambrose was formerly special agent in the South Carolina territory.

**Chester G. Peck**, 60, retired Boston broker, died at his home in Winchester, Mass. He was a trustee of the Arlington Five Cents Savings Bank.

**H. S. Graves**, New York lawyer, for 20 years a director of the American Reserve, died at his summer home in Grand Isle, Vt., following a long illness.

**W. L. Reilly**, 59, a partner of the Fieber & Reilly agency, Indianapolis, died after four months' illness. In 1924 he joined his brother, the late J. J. Reilly, in the Fieber & Reilly agency after many years experience with the Indiana Inspection Bureau, which he had joined in 1906. He had started with the old Indianapolis Fire Rating Bureau which at that time was merged with the state body.

**M. L. Degenaar**, Michigan state agent Firemen's of Newark, died at his home in Jackson, Mich., last week, after a lingering illness. He was 50 years old and had been ill since last March. He is survived by his widow, parents, four brothers and three sisters. Before entering the insurance business, Mr. Degenaar was an auditor for the Jackson Power Company. His first insurance connection was with the Michigan Inspection Bureau in Jackson, after which he went with Fireman's Fund in the Michigan field. After being in the real estate business in Detroit, he returned to the insurance business with the Western Sprinkled Risk Association, traveling out of Chicago and then with Underwriters Service. He joined the Fireman's organization about 10 years ago. He was a brother-in-law of H. M. Carmichael, Chicago, manager Oil Insurance Association.

**Emerson Leroy Stanley**, 86, Sebring, O., local insurance agent, died, leaving his wife and a sister.

**Marcus A. Wolf**, 37, owner of the Marcus A. Wolf Insurance Agency, Columbus, O., died of heart trouble, following a brief illness.

## COMPANIES

### Shelby Holmes to Direct Special Work for Royal

Shelby Holmes, Western Kansas state agent Royal, Newark and Queen, who has been promoted to special representative as of Oct. 1st for the brokerage, general cover and special service departments with headquarters in New York supervising the 36 states east of

### SPECIAL AGENT WANTED

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the Rockies, was guest of honor at the Sunflower Blue Goose Puddle, Wichita. Mr. Holmes started with the Dulaney, Johnston & Priest agency in 1926 and after six years he was appointed Kansas state agent American, which position he resigned five years later to join the Royal. C. J. Wintrol, who replaces Mr. Holmes comes over from the inland marine department at Kansas City.

### Firemen's Group Showing First Half of the Year

"Best's Reports" gives a consolidated statement of the companies in the Firemen's of Newark group, the assets being \$63,712,698, premium reserve \$24,200,192 for the fire companies and \$6,941,796 for the casualty. The policyholders' surplus is \$18,719,770. If its securities were valued at the market basis as of June 30, the assets and surplus would be reduced by \$1,330,804. After allowing \$2,600,000 covering the retirement value of Metropolitan Casualty preferred stock held by the R.F.C. and \$19,938 covering minority interests, the liquidating value of the Firemen's shares on June 30 was \$14.10 each. This compares with \$14.84, Dec. 31, and \$14.58, June 30, a year ago.

The operating results of the group for the first half of 1940, according to "Best's reports," were highly satisfactory. The combined premiums advanced 12.22 percent, the fire companies' figure being up \$1,500,000, while the casualty companies were up over \$800,000. The combined expense and loss ratio was 93.1 as compared with 96.58 for the six months ending June 30, 1939. For the fire companies the combined loss and expense ratio was 95.92 percent, about 6 percent higher than the first half of last year. The casualty companies' ratio was 89.27 percent, a rise of 2 percent over the previous year.

Directors of the **Buffalo** declared a regular quarterly dividend of \$3 a common share, plus an extra dividend of 50 cents a share, both payable Sept. 28 to stock of record Sept. 23. Previously this year, the company distributed two regular quarterly dividends of \$3 a share.

### Tulsa Insurance Women Meet

**TULSA, OKLA.**—The Insurance Women's Club of this city held a regular luncheon meeting with 54 present. W. B. Buckner spoke on "Americanism." The Oklahoma City Insurance Women's Club will be guests of the Tulsa club Oct. 19.

**A. L. Blickenstaff** of the Wade Patton Agency has been named secretary-treasurer of the Hutchinson Kiwanis Club.

## REJECTED RISKS

### IT BURNED

"Did the house burn up, or did the house burn down?"  
'Tis quite a mystery in country and town.  
Perhaps it burnt up since the flames flared up so;  
But if it burnt up, where did it go?  
Maybe it burnt down, for smaller it got;  
And yet, there's the flames that went up so hot.  
It went down to ashes; it went up in smoke;  
This has me puzzled—it's really no joke.  
Did it burn to the ground or burn up to the top?  
Oh dear, let's just say "It burned" and there stop.

### OPTIMISM AT HOME

When sultry shadows slither  
With the breathlessness of doom  
And scores of steaming blankets  
Seem to line the living room.  
When elephants are sitting  
Unseen upon your chest  
And both your knees seem liquid  
And all you want is rest.  
When all your clothes are sticking  
To wherever you have sat  
And all the ice cream's melted  
And all the beer is flat.

Just smile as you remember  
All the things you'd like to curse  
And save it for a week or two  
For August will be worse.  
—Elaine Tweeddale, Baltimore.

### SCRAPS

Nations are standing stricken and dumb  
Watching the table of Mars  
Parched for blood, seeking the crumbs  
Tossed from the feast of wars.  
Seeking the scraps of outworn ships  
To build a chain across a sea.  
And lock the bread from a traitor's lips  
And let him starve in perjury.  
Hording scraps of iron and steel  
To troll the waves for metal fish  
With life on the rod and death on the reel—  
A broken cup and a shattered dish.  
Scraps of men from the armies lost  
Crusts of courage—crumbs of fate  
The gods of war are gorged with steel  
As the hungry nations stand and wait.  
—Elaine Scott Tweeddale, Baltimore.

### Plans Daily Trade Paper

Publication of a new national daily paper for business and industry, including the insurance business, to be titled "Tab-American," will start in about six weeks, it was announced by J. A. Lazar, head of the American Publishing Association, 1430 South Penn Square, Philadelphia. It will carry no advertising for the present.



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because the agent belongs to the town and location in which he works. He is established there and there are his friends, his business experience and reputation. He is the best representative a company can have



*Will Wrightman*  
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HUNDREDS OF AGENTS, REPRESENTING MORE THAN 100 LEADING INSURANCE COMPANIES. ARE BUILDING INSURANCE PREMIUM VOLUME WITH "THE AGENT'S FINANCE PLAN." HERE IS WHAT THE AGENTS, THEMSELVES, SAY . . .

### C. H. HASKETT SAYS:

"In shortly over a year's time I have financed 47 automobiles and written a total insurance premium of \$2532.57. It has been a nice increase to my agency, and I feel that I am more solidly in the good graces of my policyholders than ever before. I am satisfied that I would have written very little of this business had it not been for the finance facilities made available by your company."

### W. F. CLAWSON SAYS:

"I have financed 61 automobiles with a premium income of \$4475.52, making a commission of \$1118.88 . . . \$18.35 per car. With these figures in mind you can well imagine that I am sold on this plan. One of the nice features of the plan is the additional premium I write in other lines of insurance through my more frequent contacts with the people for whom I have financed automobiles."

### WILL R. McKOWN SAYS:

"Your low economical finance plan is so simple that it requires only a few minutes of an agent's time to complete the necessary forms and deliver the draft to the dealer. In fact, it is so simple and easy that it is a matter of routine in our office to take the application, draw up the necessary forms, issue the draft and write the insurance policy. I want you to know that I appreciate more than I can express the help your company has made available to the American Agency System."

### DON T. TROBAUGH SAYS:

"This letter is prompted by the 100th automobile financing deal I have handled through the Agents Finance Company. For your specific information, the total premium written on these 100 finance contracts is \$5297.91. This gives you a concrete idea of how grateful I am."

### GLENN FINDLEY SAYS:

"I was prompted to write this letter because of a particularly kind gesture on your part when one of my clients called on you and inside of a few minutes you had provided him with a check to pay the balance on his car, and subsequently notified my office of the transaction and the fact that the insurance involved in the case was still being handled through my agency. I like to have my clients dealing with your organization . . . I hope to continue using your service indefinitely."



Pioneers of "the Insurance  
AGENTS FINANCE  
542 N. MERIDIAN ST.

# Million Dollar Partner!

## Finance Premium Volume . . . FOR YOUR CLIENTS

Yes, you too can have this million dollar partner working for your agency. A partner who will give you \$1,000,000.00 to FINANCE AUTOMOBILES for your clients, thus making it possible for you to retain ALL of their Automobile insurance. A hard-working partner who will be "on the job" 24 hours a day, 7 days a week. A partner who ASKS NO SHARE IN THE PROFITS from the insurance business that Automobile Financing will bring into your agency. A partner who will in NO WAY interfere with your business!

What does "The Insurance Agent's Finance Plan" mean to YOU?

It means that you get ALL the insurance . . . Comprehensive, Fire, Theft, Collision, Personal Injury and Property Damage Liability, Medical Reimbursement, as well as any other coverages your clients desire. AND YOU RECEIVE A CHECK FOR THE FULL INSURANCE PREMIUM IMMEDIATELY! No collection or renewal problems to worry about!

You get the expert service of a thoroughly qualified field manager to help put the plan into action, and to follow through day and night—giving you whatever assistance you may need.

You share the profits from this extra insurance business WITH NO ONE! AGENTS FINANCE COMPANY WRITES NO INSURANCE ITSELF . . . DOES NOT HAVE A LICENSE WITH ANY INSURANCE COMPANY.

Automobile Financing interferes in NO WAY with your Automobile Insurance business. Indeed, you need Financing to round out a complete service for your agency. And we've made it as EASY to Finance a car as it is to write a policy! Thousands of agents, representing more than 100 leading insurance companies, are now using this Plan with remarkable success. WHY NOT YOU?

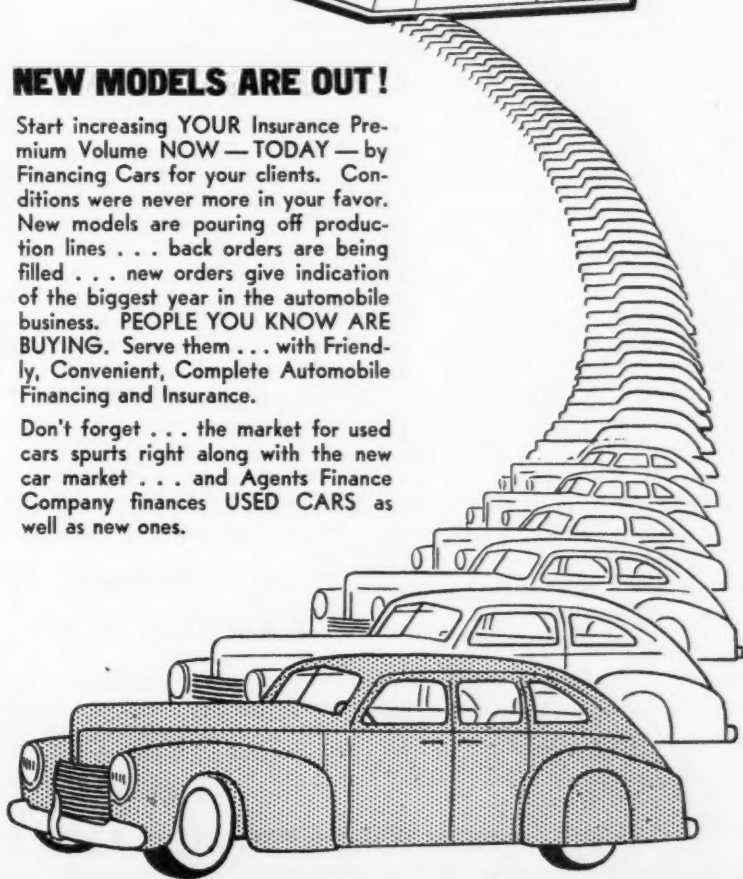
**AGENTS IN ILLINOIS, OHIO, MICHIGAN AND INDIANA,  
WRITE OR WIRE AGENTS FINANCE COMPANY TODAY,  
WITHOUT OBLIGATION, FOR FULL INFORMATION  
ABOUT INCREASING YOUR INSURANCE BUSINESS  
THROUGH THE AGENT'S FINANCE PLAN.**



### NEW MODELS ARE OUT!

Start increasing YOUR Insurance Premium Volume NOW — TODAY — by Financing Cars for your clients. Conditions were never more in your favor. New models are pouring off production lines . . . back orders are being filled . . . new orders give indication of the biggest year in the automobile business. PEOPLE YOU KNOW ARE BUYING. Serve them . . . with Friendly, Convenient, Complete Automobile Financing and Insurance.

Don't forget . . . the market for used cars spurts right along with the new car market . . . and Agents Finance Company finances USED CARS as well as new ones.



Agents Finance Plan"

**GE COMPANY • INC.**  
T, INDIANAPOLIS, IND.



# EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG, President

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REINSURANCE OF  
CASUALTY • FIDELITY • SURETY

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HOME OFFICE  
KANSAS CITY, MISSOURI

BRANCH OFFICES  
NEW YORK • CHICAGO • LOS ANGELES • SAN FRANCISCO

# The NATIONAL UNDERWRITER

September 26, 1940

## CASUALTY AND SURETY SECTION

Page Twenty-five

### Palmer's Answer Filed in Illinois Auto Rate Suit

#### Test of Director's Power Looms as Issues Are Joined

Ernest Palmer, Illinois insurance director, has filed an answer to the suit of the American Automobile seeking a review of his order of last July which outlawed equity rating and retrospective rating of automobile fleets. The answer indicates that Mr. Palmer is determined to stand by his order and submit his authority under the Illinois insurance code to a court test.

The answer, which was filed by J. B. Harriss, assistant attorney-general, in the name of Attorney-General Cassidy in the Cook county superior court, states that the equity or individual risk rating plan is "indefinite, uncertain, unscientific and follows no fixed or definite rule or regulation, that it does not provide for the application of definite charges and credits and does not produce substantially the same returns on two similar risks, but was designed and is used for purely competitive purposes.

#### Claims Plan Discriminatory

The insurance department answer also says that the plan is "without stability, uniformity or consistency and fixes rates which are unjust, unreasonable, discriminatory and preferential" and permits a company "to charge any rate which competition makes necessary."

After reciting that American Automobile and other companies writing automobile insurance in Illinois have filed rate manuals, with the state divided into territorial districts and declaring that a reduction in any district requires a like reduction in the other districts, Mr. Palmer's answer takes up the important question of the director's power under the code. It says that insurance is a business affected with the public interests and a comprehensive code for the regulation of the business has been passed by the legislature, with the director of insurance receiving certain powers and duties, among them the prohibition of filing of any rates or rating plans which are "unjust, unreasonable, discriminatory or preferential."

The answer continues that it is "not only within the power but it is also the duty" of Mr. Palmer to supervise rates and that the order outlawing equity rating "is reasonable and in accordance with authority granted by the statutes."

It is expected that this answer will bring the issue to a head and that there will be a hearing in the near future, although no date has been set as yet. It was not indicated whether American Automobile will file any exceptions to the answer or will go to trial on the present issue.

### Zone 3 Officials Hold Conference

#### McCormack of Tennessee Was Reelected Chairman —Important Action Taken

NASHVILLE, TENN. — Commissioner J. M. McCormack of Tennessee, chairman of zone 3 of the National Association of Insurance Commissioners, gave a report of the meeting of the commissioners in that district held at Montgomery, Ala. He was reelected chair-



J. M. McCORMACK

man. It was agreed that a short preliminary report for the personal attention of the commissioners covering problems on each examination should be made to the home state commissioner by the examiner assigned on each examination. The home state commissioner will promptly send a copy of this report to each state in the zone if there is any particular problem arising.

#### Position on Examination

Although no definite action was taken it was the consensus of opinion that a state in addition to the home state should be invited to represent zone 3 on each company having sufficient volume to justify such treatment.

It was pointed out that, if the home state alone represented the zone, this would result in the other seven states in the zone being barred from participation in any examination at any time, and that this action would be in conflict with the theory of rotation, a basic principle of zone examinations.

#### Non-Admitted States

A telegram was sent to Commissioner Bowles of Virginia, sustaining his position that an examiner from a non-admitted state be refused to participate in an examination.

A telegram to J. G. Read, Oklahoma chairman of the examinations committee and secretary of the National Association of Insurance Commissioners, was authorized, stating the position of Zone 3 on the matter of a state, where the

### New Auto Liability Rules Promulgated

#### Hired Car Minimums Cut, Public Autos Rule Broadened

NEW YORK—The National Bureau of Casualty & Surety Underwriters has revised the automobile casualty manual providing additional interests coverage for public automobiles while used for pleasure purposes and reducing the minimum premium for higher automobile coverage to \$10 for bodily injury liability and \$5 for property damage liability. These changes were made by post card notices, instead of a mailing of new manual pages.

The new additional interest rule on public automobiles states that coverage may be provided without additional charge for the liability of any person or organization using the automobile, or legally responsible for its use, provided the actual use is with the permission of the named assured and provided the actual use is pleasure and not commercial or business.

#### Hired Cars Rule

The new minimum premium for hired cars applies where the company also insures owned cars of the assured. The old minimum for this was \$15 for bodily injury liability and \$9 for property damage liability and the new minimums are \$10 and \$5 respectively. This rule is used most commonly under policies filed with the Interstate Commerce Commission and comparable state authorities, where blanket coverage on all automobiles is required, even though the assured does not regularly hire cars.

Where the policy does not cover automobiles owned by the assured, the minimum premium remains with specified car rates for the highest rated car hired. The new rules also provide that where both non-ownership liability and hired cars are covered, the minimum premiums of \$10 and \$5 shall apply to both coverages, instead of to each.

The new rules do not apply in North Carolina and Virginia until filings are made.

company is non-admitted, representing a zone on an examination in Virginia. Three commissioners, Lucas of Missouri, Julian of Alabama and McCormack of Tennessee, members of the examinations committee of Zone 3, forwarded their votes against approval of such representation by a state in which the company was not admitted.

A study was suggested in regard to a statute that would require companies, withdrawing from any state, upon the request of the home state commissioner, to reinsure all outstanding risks in an approved and admitted company.

#### Ashby on Newark Faculty

W. T. Ashby, Newark general agent, will direct the advanced casualty course of the University of Newark. This course is part of the educational program of the New Jersey Association of Underwriters.

### Two More Bankers Blanket Bond Forms Revised

#### Forms 3 and 4B Brought in Line with Others, Form 4C Eliminated

NEW YORK—The Surety Association of America has revised Forms No. 3 and No. 4B of the bankers blanket bond. The changes bring these bonds into line with the revisions in the other and better known forms. Both new forms have been rearranged on the style of Form No. 8 Revised.

Form No. 3 covers a bank against loss of securities on its own premises held by it as collateral or as agent, bailee, custodian, administrator or other fiduciary. Form No. 4B covers the bank against loss of its own and other securities while in the custody of a named depository.

#### Changes in Forms

The definition of "securities" in Form No. 3 has been broadened to include all those now covered by Form No. 8 Revised and the capacities in which the assured may hold securities and the definition of "employees" have been amplified. The new riot and civil commotion, nominal value and description, valuation and cancellation clauses have been incorporated. A prospective restoration clause, similar to that in brokers blanket bond No. 14 Revised, is included. Form No. 3 covers dishonesty of the assured's employees, and robbery, burglary, larceny and destruction on the assured's premises.

Substantially similar changes were made in Form No. 4B. It now covers persons employed "in, at or by" the depository. Reference to insurance carried by the depository has been eliminated. This form protects against dishonesty of employees of the depository and robbery, burglary, larceny and destruction on the depositor's premises.

#### Form No. 4C Dropped

Form No. 4C has been discontinued as to new business. It may be renewed and may be rewritten in another company for not more than the previous amount. This form covered a bank for the account of a named depositor against loss of securities deposited with it.

Comparatively little business was written under Form No. 4C. The same coverage may be obtained under Form No. 4B if the depositor is a bank or other institution eligible for a bankers blanket bond, otherwise under a securities insurance policy.

#### Thomas in Chicago Field

H. E. Thomas, formerly with W. A. Alexander & Co., has been appointed special agent for Chicago and Cook county for Royal Indemnity.



## CHANGES IN CASUALTY FIELD

### Donovan Is Superintendent of Employers Companies

Employers Liability and American Employers have appointed J. A. Donovan superintendent of the compensation and liability department, succeeding F. W. Martin, who will retire Sept. 30. Mr. Donovan went with the Employers in 1920, and in 1925 was transferred to American Employers, assisting in handling automobile as well as compensation and liability business.

In 1925 he was promoted to underwriter and assisted in handling the southern, central and western divisions of the country for both companies. In 1936 he was promoted to assistant superintendent of the compensation and liability department.

In recent years he has traveled extensively for the Employers group and participated in many sales conferences in various parts of the country.

### Harrison in Charge at Leesburg, Va.

B. P. Harrison, Jr., will represent the accident department of Provident Life & Accident as general agent with office in the Moore-Clemens Company agency, Leesburg, Va.

### Burns Handles Both Carolinas

Agency operations of State Farm Mutual Automobile in North Carolina are now under the supervision of South Carolina State Agency, Inc., Greenwood, S. C. J. C. Burns, Jr., Carolinas' State Director.

Mr. Burns has been in charge of agency activities in South Carolina for several years, and at one time was assistant manager of State Farm Fire. He will now supervise agency development and production in North and South Carolina. Fifteen State Farm special agencies will be set up in the North Carolina field.

No new business will be written until Nov. 1, when revised liability rates will be effective in North Carolina.

### Addy Shifted to Albany

J. Vernon Addy, assistant manager, Des Moines, Ia., branch of the Travelers, has been transferred to the Albany, N. Y., office as assistant manager. He joined the organization in 1929 as a member of the cashier's department in the Des Moines branch and has held a number of positions since then. He has served as casualty counterman in Peoria, Ill., as well as the Fourth street office in Philadelphia, Pa.; has been traveling auditor connected with the home office, assistant cashier, field assistant and assistant manager at Des Moines until his present transfer to Albany.

### Kenny and Mattison Named

DALLAS—H. E. Kenny, Jr., has been appointed production manager of the Dallas service office of the Commercial Standard, and P. A. Mattison claims manager. They succeed Frank Brackney, resigned. Both have been with the Commercial Standard six years.

### Licensed in California

American Casualty of Reading, Pa., which has been licensed to operate in California, will be represented by R. H. Jenkins, Los Angeles, as general agent, and will write disability, plate glass, general liability, burglary, teams and vehicles, automobile and miscellaneous.

American Motorists Fire, newest member of the Kemper group, has been licensed to operate in California. R. W. Chandler, manager Lumbermen's Mutual and American Motorists, is general agent.

### Erickson Named Underwriter

Robert Erickson has been appointed casualty underwriter of the Allied

Agency, Chicago. He has been connected with the agency for two years, doing automobile and miscellaneous casualty underwriting. Formerly he was associated with the Cramsie, Laadt & Co. agency of Chicago and has had in all 10 years' insurance experience.

### U. S. F. & G. and F. & G. Fire to Hold Agents' Gathering

COLORADO SPRINGS—United States Fidelity & Guaranty and its associate, Fidelity & Guaranty Fire, will hold a meeting here Oct. 3-5 for their agents in Colorado, New Mexico, Nebraska, Wyoming and South Dakota. An attendance of about 300 is anticipated.

Officers who are to attend are E. Asbury Davis, president; H. J. Blank, chairman, and P. F. Lee, J. D. Hall, J. F. Matthai, C. J. Fitzpatrick, directors U. S. F. & G. C., and H. F. Ogden, vice-president Fidelity & Guaranty Fire. Gov. Carr of Colorado and Commissioner Cavanaugh of Colorado will be speakers. Delegates will be welcomed by Mayor Birdsall.

Final plans were made this week by Edward Zell, local chairman, and C. B. Tyler, assistant manager, and Gene Sanders, district supervisor U. S. F. & G. C., both of Denver. Mr. Zell is president of Price & McDonald, Inc., this city.

### Standard Provisions for Group Accident-Health

SAN FRANCISCO—The committee on standard provisions for group accident and health policies appointed last December by Commissioner Caminetti has made its report. The committee, of which Harold Haas, administrative assistant of the division of insurance, is chairman, has also submitted proposed forms for standard group accident and health provisions, eliminating the various alternative forms adopted in December by the commissioner, and proposing the substitution of a relatively simple set of standard provisions for this type of coverage, as well as instructions in connection therewith.

All accident and health companies are now being notified of a hearing to be held on Oct. 21 for the purpose of determining whether or not these provisions should be adopted. The companies are also being supplied with a copy of the committee's report and the proposed standard provisions.

### Committee Members

Members of the committee are, in addition to Chairman Haas: G. W. Kemper, Fireman's Fund, representing the Bureau of Personal Accident & Health Underwriters and the Pacific Coast Conference on Hospital, Medical & Surgical Insurance; Arnold Brown, Metropolitan Life, representing the accident and health section of the National Group Conference; Marcus Gunn, California-Western States Life, representing the Conference of Accident & Health Insurers; and John Andrews, document examiner of the division of insurance.

### Plan New Iowa Mutual

Articles of incorporation for American Mutual Insurance Association of Wheatland, Ia., a county mutual assessment association, have been filed with the county recorder at Clinton, Ia. The articles give the company power to write farm personal property and furniture against storm damage. F. H. Schneider is president, Henry Brandes, vice-president, Alfred Rowald, secretary, and Charles Dickel, treasurer.

E. S. Inglis, vice-president Corroon & Reynolds, is expected to return to New York, Sept. 30, after a trip around the country.

## Cancelling of Policy Issue in Auto Case

### Insured Misrepresented Occupation and Ownership to Company

Judicial cancellation of an automobile liability policy because of the insured's misrepresentation of his occupation is of particular interest in view of the various occupational rating plans in use. It is particularly interesting in view of the fact that the cancellation, in U. S. Casualty vs. Melee et al., was granted after the insurance company had made a defense of the personal injury claim and the personal injury judgment had been granted against the insured.

The company undertook the defense, and carried it on, without reservation, until a very short time prior to the actual trial when, for the first time, it discovered that the insured had knowingly made false warranties (1) as to his occupation, asserting that he was retired when in fact he was a commercial wrongdoer, a "betting commissioner," a "bookie," and (2) as to his complete ownership of the insured automobile. Upon the discovery of these allegedly false warranties, the company told the insured it would not proceed further with the defense unless he would sign a nonwaiver agreement. This he did.

### Company Makes Defense

The company not only made the defense in the trial court but took an appeal and the verdict was affirmed. Thereafter, the company filed a bill in chancery setting forth the allegedly false warranties and asking that its policy be cancelled. A decree was entered cancelling the policy as of the date of its issuance, decreeing that the company was not liable under the policy, and restraining recovery thereunder. This decree was the subject of the appeal in this case.

It appeared that the company, through a report of its investigator, knew of the falsity of the ownership representation a few days after the accident, and continued the defense without taking a nonwaiver agreement. However, the New Jersey court of errors and appeals pointed out that the company had no such knowledge so far as the false warranty by the insured as to his occupation was concerned. It therefore affirmed the decree cancelling the policy.

### Mrs. Dalmar as Hostess

The Insurance Distaff Executives Association of Chicago, composed of women prominent in insurance had the pleasure of being entertained by one of its members, Mrs. Hugo Dalmar, who is vice-president, at her delightful lake shore home in Evanston. Mrs. Dalmar has one of the most artistic and delightful residences and gardens along the shore. On this occasion she had it illuminated and the light falling on the various colored flowers made a picture of great beauty. Mrs. Dalmar has been the hostess on many occasions to her friends and members of different organizations. She is unexcelled in that role. Mrs. Dalmar is head of the Chicago local agency of Hugo Dalmar & Co.

Distinctive motion pictures were shown by R. W. Tansill, leader of the Alaskan expedition sponsored some years ago by A. H. Revell for the Field Museum. Mr. Tansill and his party secured seven fine specimens of Kodiak bear, the largest and most ferocious carnivores in the world, some of which are mounted in the Field Museum, Chicago. Mr. Tansill related his experiences in an entertaining, informal manner, which was also educational.

Regular monthly dinner meetings of the Distaff are held on the third Thursday of each month, beginning in October. Programs have been planned for the next three months.

## Billion Dollar Back Log for California Aircraft Builders

LOS ANGELES—Surety underwriters view with complete satisfaction the announcement that the back log of southern California aircraft manufacturers now is approaching close to the \$1,000,000,000 mark, with indications that the figure soon will be passed. Their interest in the matter is wholly in the sum total of bonds that will be required from the manufacturers by government on its contracts for planes for army and navy and from foreign planes for their contracts.

Here are some of the manufacturers, the contract total announced during the past ten days, and where obtainable, the amount of bond and the underwriter. These figures are component parts of the entire back log:

Lockheed Aircraft Corp., Burbank, Cal.,—\$30,278,787 and \$15,646,450, bond for the first already written and the second now being under consideration; Great American Indemnity, Wren & Van Alen, Los Angeles general agents handling the line.

Consolidated Aircraft Corp., San Diego, Cal.—\$14,861,342, and \$85,800,000, bond for the first already written, information on details of second being awaited; Aetna Casualty, through Los Angeles branch office. Also \$3,500,000 for flying boats from the Australian government.

Douglas Aircraft Co., Santa Monica, Cal.—\$20,229,184 and \$9,602,384; U. S. Guarantee, Ashbrook-Clevidence, Los Angeles brokers; first amount written; brokers decline to give any facts.

Vultee Aircraft, Downey, Cal.—\$29,494,633 and \$7,488,782, bonds being written by National Surety in New York office.

North American Aviation, Los Angeles—\$11,335,631; U. S. Guarantee, Johnson & Higgins, brokers; bond written, but all information refused.

The underwriting companies given above are the originators of the lines, but practically all the large bonding companies listed in the U. S. Treasury approved list are participating as co-sureties.

Including these latest contracts some of the backlogs of the companies are: Consolidated, \$220,000,000; Vultee, \$90,000,000; Douglas, \$300,000,000.

The figures do not include the orders for parts and replacements. Two of the companies refused information so as not to divulge anything the government wants kept confidential. The contracts announced have been made public from Washington.

### Preliminary Draft of Rules on Acquisition Costs Ready

Casualty underwriters of Cook County, Ill., have been furnished copies of the preliminary draft of rules prepared by the Acquisition Cost Conference.

### American Surety's Bond

SEATTLE, WASH.—American Surety, through its Seattle branch office is the originating company for the surety bond of \$70,000,000 covering the war department contract with the Boeing Aircraft Company, to manufacture planes under national defense plans. The office is in charge of C. H. Melrose, resident vice-president, and K. F. Warnock, manager. The premium on the bond was \$176,000. There are several additional and similar bonds in process of arrangement.

### Stiffen Michigan Driver Tests

Automobile carriers operating in Michigan are expected to profit from a stiffening of the drivers' licensing requirements in the state under a program formulated by the state police in cooperation with safety and law enforcement agencies. More difficult tests will be given applicants for licenses. A series of 13 institutes will be held throughout the state for drivers' license examiners to instruct them in conducting the tests.

## Some Laws Rigid on Loss Adjustments

### Adjusters Need to Study Statutes Relative to Unlicensed Carriers

NEW YORK — Adjusters assigned claims in states in which the carrier is not regularly admitted should carefully study the laws before undertaking the commission, else they may find themselves in serious difficulty. The statutes of Arkansas, Connecticut, Delaware, Georgia, Mississippi, Montana, New Mexico, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia and Wyoming strictly prohibit the adjustment of losses within their borders on behalf of any non-admitted institution, and provide severe penalties for violation.

While representation of non-licensed companies is barred under the laws of Alabama, Idaho, Oregon and Washington, claims on their account may be adjusted under specified special conditions. In Alabama  $\frac{1}{2}$  of 1 percent of the loss payment must be turned over to the state. Failure to do so will subject the carrier to a heavy penalty and forever bar its admission to the commonwealth. In Idaho, a special license fee of \$25 is required for each claim handled. Oregon compels payment to the state of 10 percent of each loss settlement, while in Washington authority to settle claims for unlicensed concerns may be had on payment of a \$10 license fee.

### Air Raid Injury Cost Has Now Been Reduced

The "Review" of London states that evident ability of the Royal Air Force to hold invading enemy aircraft appears to have been recognized by London Lloyds since the underwriters have come forward with a new air raid injury scheme at reduced cost. It is on a coupon basis by which the man in the street can buy £50 protection at the rate of 1s. per month. That is approximately at the rate of 24s. per annum. The coupons will be sold in books of 21 for £1 and each coupon will be passed on for a shilling. No proposal form is required but the coupon must be signed by the holder. The benefit of the insurance does not extend to members of the armed forces, home guard or A.R.P. workers whether on duty or not.

### Break Up Claim Racket

MONTGOMERY, ALA.—With the arrest of 38 men and women, federal authorities announced here they believed they had cracked wide open an insurance racket involving automobile liability coverage. The alleged scheme, said to have been operated in Henry, Houston and Russell counties, Ala., Muscogee County, Ga., and a bordering section of Florida, was reported to extend back to 1932 and involve aggregate payment by insurance companies exceeding \$100,000. Agents said that most of the incidents were similar and centered about small groups which "faked" automobile accidents in order to collect indemnity from insurance companies for injuries that never occurred, or were due to causes other than vehicular accidents.

### License Ruling Clarified

HELENA, MON.—John J. Holmes, Montana insurance commissioner, has modified his original ruling regarding an application having to be filed by a company with each requisition for an agent's license. He has now made it clear that former licenses may be renewed unaccompanied by an application from the agent, and that the application is required only in connection with the licensing of new agents.

## Recent Insurance Cases Decided

### Elevator Case Decided Against the Company

The Washington supreme court affirmed the lower court, holding Aetna Casualty responsible in *Sheridan vs. the company*. Sheridan brought action to recover for injuries sustained when he fell down an open elevator shaft and joined as defendant the owners of the building, the elevator company and the insurance company which carried the liability policy. The question at issue was whether the judgment entered against the casualty company was warranted insofar as there had been no judgment entered against the assured.

It was shown that the company undertook to inspect the elevator at regular intervals, such being voluntary and not required by the policy. However, in undertaking such a voluntary duty the company obligated itself to use care in carrying out this duty and was liable for failure so to do. It also undertook to furnish the city with reports required by statute. Because of its undertaking of this duty the higher court holds that the casualty company is liable. The facts warranted the jury in finding that the plaintiff was free from contributory negligence although a dissenting opinion contends to the contrary.

### California Case Is Reversed

The California supreme court reversed the decision of superior court of Los Angeles county in *Westberg et ux. vs. Wilde et al.* The plaintiff's son was killed when his car was struck at an intersection by the defendant's livery truck. Although the driver of the truck claimed that he had entered the intersection first, witnesses to the collision said the deceased's car had entered first and the jury returned a verdict for the plaintiff. The court did not err in instructing the jury with regard to the presumption of due care existing in deceased's favor nor in certain other specified instructions, the higher court said, but it did err in instructing the jury as to the law concerning the speed of automobiles. It quoted to the court the statute that is applicable only in criminal and not in civil cases. For this reason the judgment is reversed. On the new trial the instruction concerning the inference raised from the fact that one of the defendant's employees was driving the car at the time of the collision may be corrected so as not to raise the presumption, the higher court added.

### Ask Compulsory Law Changes

WORCESTER, MASS.—The Worcester Board appealed to the Massachusetts Association of Insurance Agents to work for changes in the compulsory law assignment of automobile risks, branding the present assigned risk plan as "in direct contradiction" to the principles of the American agency system. The business that should go through the agencies "has been and is being diverted to the companies on a direct-writing basis," the board holds. The board prefers the New Hampshire plan of assigned risks with provision for agency commissions.

### Opens Ft. Worth Branch

Trinity Universal announces the opening of a branch service office at Fort Worth, Tex. It is located at 405 Sinclair building and will be under the direction of R. E. Bennett. The opening of this office is in line with its policy of expanding its facilities as rapidly as possible and bringing to all its agents the services of capable and experienced field men.

Mr. Bennett joins Trinity Universal after 16 years of experience in insurance, the last 13 of which have been spent in Texas.

### Hold Agent for Losses of Unlicensed Insurer

The Tennessee supreme court has recently applied the law of that state which makes an agent liable for the losses of an unlicensed company, on policies he places with such company. Section 6141 of the Tennessee code reads:

"An agent or person shall be personally liable on all contracts of insurance unlawfully made by or through him, directly or indirectly, for or in behalf of any insurance company not authorized to do business in this state."

This law came before the court in two cases.

Fred Kirshner was operating the Washington Benevolent Association, later known as the Washington Burial Corporation, as its president, and apparently on the theory that it was not subject to the insurance laws. Two claims went unpaid and the beneficiaries brought suit. The two cases were heard together, *Partain vs. Kirshner*, and *Howell vs. Kirshner*.

The supreme court held that the corporation was subject to the insurance laws, and ordered judgment against Kirshner, who had signed the policy as president. Kirshner claimed that section 6141 applied only to agents, not officers, but the court ruled that it applied to any agent through whom a policy was issued, regardless of his title, and regardless of whether there were other agents in the case or not. In the *Howell* case the suit was brought after the six months limitation in the policy, and judgment went against the claimant on that ground. Judgment went against Kirshner in the *Partain* case.

The evidence showed that the corporation during its existence, had more than 8,500 members and collected more than \$20,000 in dues.

The Utah supreme court had a case *Carter vs. Duffey et al.* The plaintiff was injured when she attempted to cross a street with the traffic signal in her favor. A truck owned by the defendant and driven by its employee, the named defendant, turned the corner and ran into her. The driver had made his last stop for the day and on the way to take the truck to the garage where it was kept, he stopped to pick up a Christmas tree to take home to his family. The accident occurred after he had picked up the tree. The evidence established that he was following the shortest route to the garage and the court holds that the deviation made was not sufficient to relieve the employer of liability for the negligence of the employee. The judgment for the plaintiff was, therefore, affirmed.

The Kentucky court of appeals reversed with directions an appeal from Jefferson circuit court, common pleas branch, first division, in *Indiana Refining Company, et al. vs. Crain*. In an action for damages resulting from an automobile collision, the plaintiff was awarded a verdict for \$2,210. The defendant claimed that the verdict was excessive and that appellee's counsel used prejudicial language in referring to an insurance company in its closing argument. The repair bill for appellee's car was \$161.99, her physician's bill \$100 and she gave a note for \$200 to her daughter on account of nursing services rendered. The court reviewed the evidence relative to the nature of the injury sustained by the plaintiff and holds that the verdict is excessive. It also finds that the statement objected to was prejudicial and that the trial court erred in refusing to grant a new trial.

### Damon Outlines Highway Safety

LOS ANGELES—Norman Damon, director Automotive Safety Foundation, New York, addressed the directors of the Greater Los Angeles Safety Council at luncheon, his talk outlining a national highway safety program.

## Important Move in Central Mutual Case

### Judge Holds Filing Claim Puts Assured Under Court, Test Near

Another chapter was written in the prolonged history of the membership of Central Mutual of Chicago last week when Circuit Judge Finnegan ordered all assured on the first assessment roll who have filed claims to show cause by Oct. 9 why they should not pay the assessment and why judgment should not be issued against them if they do not pay. At the same time, the stage was set for another legal battle over this carrier, which was placed in receivership early in 1937.

Last March, H. G. Miller, the receiver, obtained an order for an assessment on about 50,000 assured who were policyholders between January, 1935, and January, 1937. The amount levied is about \$5,000,000. An appeal from the assessment order is pending, but no stay was obtained, because of the difficulty of putting up the necessary bond.

### Holds Claim Means Appearance

Mr. Miller has been preparing the assessment list in sections and already has filed two rolls in the circuit court. Written demands have been sent to those on the first roll, over 700 in number.

The receiver asked for the latest order on the theory that filing a claim automatically files an appearance and thus puts the policyholder under the jurisdiction of the court for assessment. It is believed that this theory has not been previously tested in court. In issuing his order, Judge Finnegan approved this theory, but it will be contested vigorously by a number of policyholders.

### To Fight Order

Meyer N. Rosengard, Chicago attorney, represents a number of large Central Mutual assured who will contest the order. If Mr. Miller's theory is upheld, trucks and other equipment of assured from other states may be levied upon if they enter Illinois and suits on the judgments may be started in policyholders' home states, probably with no chance for the assured to set up any defense against assessment. Assured who have not filed claims must be served with summons.

It is believed that a large proportion of assured on the first assessment roll have filed claims, although many policyholders were advised by counsel not to do so.

### Interest in Minn. Rulings

ST. PAUL—Two insurance rulings of importance to companies are now being prepared in the Minnesota attorney-general's office and are expected to be handed to the insurance department and compensation board at an early date.

One involves four companies that write a participating compensation policy, which has been an issue in the state for some time. The companies are Anchor Casualty, American Motorists, Associated Indemnity and Bituminous Casualty.

The other ruling is on the right of certain life companies to write casualty business in Minnesota. Commissioner Yetka questions their right and has asked for an opinion from the attorney-general.

E. G. Davis, one time secretary-treasurer of the old Southern Surety, died at the age of 83 years, due to a heart ailment in the home of his son, Dr. M. W. Davis, University City, Mo. He retired from active business in 1929 and had been in ill health for a year.

G. A. Riddick, long connected with the Richmond, Va., office of the Aetna Casualty & Surety, died.



## On Hartford Insurance College Faculty



JAMES E. HOSKINS



JOSEPH A. DANN

HARTFORD—The Hartford College of Insurance has appointed J. E. Hoskins, assistant actuary of the Travelers, and J. A. Dann, chief examiner Travelers Fire, as members of its faculty. Mr. Hoskins has been with the Travelers since 1914 and has been assistant actuary for 17 years. He is an alumnus of Harvard, where he graduated magna cum laude in mathematics. He will teach the first year course in life insurance.

Mr. Dann will conduct courses in fire

insurance. He has been chief examiner for the Travelers since 1927. He was formerly with the United States department of the London Assurance.

Other members of the insurance college faculty are L. R. Ringer, Aetna Casualty; M. M. Merritt, Travelers; E. G. Baird, dean of the Hartford College of Law and director of the Hartford College of Insurance, and W. F. Starr of the Hartford College of Law. All are regarded as authorities.

## ACCIDENT AND HEALTH

### Continental Takes Liberal Attitude on Drafter's Coverage

While there has been considerable discussion and exchange of opinions among officials of companies writing accident and health insurance in regard to the attitude to be taken regarding the coverage of men entering military service under the new draft law, the first definite statement along that line has been issued by the Continental Casualty, which takes a very liberal attitude in regard to the draftees.

It announces that all accident and health policies will be continued in force, subject only to the usual physical and moral underwriting rules, provided the policyholder continues to pay premiums regularly as due. It will not take advantage of standard provision No. 1 which provides for prorating benefits in case of claim where the policyholder has changed his occupation to one of greater hazard.

#### Replace Non-occupational Forms

As non-occupational policies would be of little value to a policyholder during the training period, the Continental will accept applications from draftees holding such policies for others providing coverage for 24 hours of the day, for not more than the indemnity now carried. The premium will be based on the occupation in which the policyholder was engaged immediately prior to being called to service.

If policyholders wish to drop their policies during the term of service, they will be allowed to reinstate within 40 days after honorable discharge, with full accumulations to the date of lapse.

The company recommends the termination of all hospital policies, medical reimbursement policies, hospital riders and surgical riders when a policyholder enters service, because of the fact that

draftees will receive free hospital and medical care during their term of active service. However, if the policyholder desires, the company will accept an application for an accident or accident and health policy for indemnities not to exceed two-thirds of his monthly income as of the date of call, at the rates for the occupation he leaves.

#### War Restrictions Not Applicable

The various so-called war restrictions in the policies will not be construed as applicable to policyholders in service under the selective service law in time of peace and prior to a declaration of war or the commencement of hostilities. It does not waive such policy restrictions in the event of declaration of war or commencement of hostilities.

All territorial restrictions contained in present policies are applicable to insured who are in service under the selective service law. That law allows the draftee to be used any place in the western hemisphere or in the possessions of the United States outside of the North American continent. Most of the accident and health policies limit coverage to the United States and Canada.

So far as the application of the so-called "war clause" in accident policies is concerned, a number of prominent accident and health underwriters have expressed the opinion that it cannot be invoked so long as the United States is not actually at war. Companies that may be inclined to take a contrary view are very likely to be forced into line by the pressure of competition.

#### Hoodoo Day Drive in Birmingham

BIRMINGHAM, ALA.—The Birmingham Accident & Health Insurance Club will not know until Oct. 10, when a roundup is made at the October meeting, who won the brief case offered the agent writing the most applications on "Hoodoo Day." Melvin Rosamond, R. A. Brown & Co. agency, wrote 24 applications. C. C. Crow, club president, stated plans were being made to com-

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combinations and amounts for hospital, medical and surgical expense, loss of income, loss of limbs and sight and loss of life.

Moreover, there is available to Aetna representatives a wealth of effective advertising and sales material to assist them in selling more Accident Insurance. It pays to be an Aetna-izer.




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AETNA LIFE INSURANCE COMPANY, HARTFORD, CONNECTICUT

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pete for the prize offered by the National association to the local club showing the most activity during the year. Hoodoo Day was widely promoted in newspaper, radio and billboard advertising. Harry Reed, district manager Inter-Ocean Casualty, and G. B. Halliday, Mutual Benefit Life, were active in the promotion.

### A. & H. Executives Dinner Honoring Hook Planned

The first accident and health executives dinner will be held in Chicago, Nov. 13. This dinner for executives and managers in the accident and health business is being planned as an annual event and will be given each year in honor of some distinguished accident and health executive.

This year's affair will honor Thomas Hook, superintendent personal accident and health department, Standard Accident, who will have completed 46 years in the service of his company, practically all in the accident department.

He went with Standard Accident in 1894 and has been active in national accident and health affairs. He is chairman governing committee Bureau of Personal Accident & Health Underwriters, has served as a member of the general committee for Accident & Health Insurance Week for five years, and is an outstanding underwriter.

The dinner is being sponsored by the Chicago Accident & Health Association and the local committee in charge is working with the view of having 200 executives and managers attend.

### Withdraws Plan in Michigan

LANSING, MICH.—Hoosier Casualty has withdrawn from Michigan territory its occupational accident plan which had drawn fire from other carriers on the ground it was a method of circumventing provisions of the workmen's compensation act. Seth Burwell, head of the licensing division of the Michigan department, said a hearing was scheduled but was canceled after agreement was reached to stop writing the form in the state. The policy provided benefits approximating those required by the compensation act and the employer paid the entire premium.

### Lebby Leads Mass. Indemnity

LOS ANGELES—W. E. Lebby, state manager Massachusetts Indemnity, has been notified that his agency, the only strictly accident and health general agency in Los Angeles, led all the agencies of the company for the month of August in paid-for production, and also leads all the agencies for the first eight months of the year.

### Matthews New Seattle Chief

R. R. Matthews, city supervisor Northern Life, was elected president of the Seattle Accident & Health Managers' Club at the annual meeting. H. R. Henderson, Massachusetts Protective Life, was named vice-president, and H. A. Wares, Washington National, was reelected secretary-treasurer.

### Great Northern's "War" Policy

The Great Northern Life has received a number of inquiries from policyholders as to the status of accident and health insurance of those who are called to the colors either in the officers reserve corps, national guard or under the selective service law. To those inquiring, the company has prepared and is sending a printed statement that any and all restrictions in the company's accident and health policies with regard to military or naval service will not apply to those who are called to the service of the country, until such time as the United States is actually engaged in war or commences hostilities of any kind.

### Great Northern Men on Tour

Several officials of the Great Northern Life, including President H. G. Royer,

Vice-president John A. Sullivan, Assistant Secretary E. H. Ferguson and E. P. Oertel, assistant vice-president, have been conducting a series of meetings with various agencies, largely to acquaint the field force with the company's new line of commercial accident and health policies. Agencies visited so far are those in Minneapolis, Wausau, Wis., Cleveland, Oklahoma City and Kansas City.

### Dalrymple Twin-City Speaker

MINNEAPOLIS—Clyde Dalrymple, vice-president National Accident & Health Association, addressed the first fall meeting of the Twin City Accident & Health club.

### Lawyers Hold Insurance Session

LANSING, MICH.—John Panchuk, assistant attorney general who usually represents the Michigan department in insurance litigation, addressed the Michigan state bar at its convention on "Group Hospital and Group Medical Coverage and the Three Acts of the 1939 Legislature Relating Thereto." Another speaker at the insurance "legal institute" was G. J. Cooper, Detroit, who discussed "Recent Innovations in Casualty Insurance Policy Forms."

### Pays Large Accident Claim

Dee A. Stoker, Chicago insurance man, had the satisfaction of paying what is termed an old age accident policy benefit to the dependents of Col. George T. Buckingham, well known Chicago attorney, who was killed by a Chicago, Milwaukee & North Shore train at Indian Hill station when he ran across the track thinking it was his regular train but happened to be a special one, and did not slow down. Colonel Buckingham was 76 years of age and carried in London Lloyds an old age accident policy amounting to \$50,000. Mr. Stoker paid the claim this week.

### Correction on Convention Dates

The dates selected for the 1941 convention of the National Accident & Health Association in Los Angeles were erroneously reported last week as July 23-25. It should be June 23-25.

### Lundquist Milwaukee Speaker

MILWAUKEE — Clay Lundquist, manager life, accident and health department of Fred S. James & Co., Chicago, was guest speaker at the luncheon meeting of the Accident & Health Underwriters of Milwaukee. E. J. Malone, Time Indemnity, who was elected president in June, presided.

## COMPENSATION

### Lawyers Urge Continuing Study

LANSING, MICH.—A subcommittee of the Michigan state bar was authorized to continue study of proposed amendments to the workmen's compensation law after a report on the initial study, made at the annual convention here, aroused some controversy. The report favored a three-member commission rather than the present six-commissioner set-up in the labor and industry department. It was stated a "too high degree of efficiency" could not be expected from an organization whose personnel was frequently altered. The commissioners, it was contended, should serve six-year staggered terms and employees generally, with the exception of the department secretary, should be placed under an adequate civil service system. Industrial safety inspection by the department was criticized on the score that law requirements are "inadequately enforced by an untrained and under-staffed personnel."

### Compensation for Fear Complex

LINCOLN, NEB.—The state compensation court allowed the disability

claim of Edward Bolus against the Hill Hotel company and its insurer, that his nervous condition is caused by a fear complex arising from the fact that another waiter slipped up behind him some weeks ago and hit him over the head. Testimony was that he is afraid of crowds and reluctant to allow anybody to get behind him.

### School Boards Must Insure in Fund

The Ohio attorney general has ruled that boards of education may not be self insurers on workmen's compensation, but must contribute prescribed premiums to the public workmen's compensation insurance fund.

### Buckeye Union Casualty Meetings

Buckeye Union Casualty of Columbus began its series of fall meetings this week with an agency gathering in Lima, O. In the course of the series, meetings will be held in Defiance, Toledo, Huntington, W. Va., Indianapolis, Akron, Canton, Zanesville, Mansfield, Fremont, Cleveland, Cincinnati and Dayton, closing with one at Columbus Oct. 25.

Secretary Ira L. Morris is to be the presiding officer and speakers will include H. L. Andrews, underwriting manager; J. J. Cooney, liability-indemnity manager; John A. Dodd, Jr., as-

sistant manager Buckeye Union Fire; S. W. Schellenger, promotion manager; President F. E. Jones, B. J. Metz, comptroller; A. R. Gibson, vice-president, Buckeye Union Fire.

### Koller, Jr., Promoted in Newark

NEWARK, N. J.—Schryver & Geyler, managers Newark branch office U. S. F. & G., announce that Arthur Koller, Jr., who was superintendent workmen's compensation, public liability and allied lines, has been promoted to city supervisor. His department has been placed in charge of C. F. Winters, who will supervise all casualty underwriting, with assistance of E. J. Zugler and C. R. McCauley.

### Booklet for Truck, Bus Drivers

A new "Truck and Bus Drivers Rule Book" has been issued by the National Conservation Bureau, accident prevention division of the Association of Casualty & Surety Executives.

The booklet compresses into 36 pages, pocket size, an easy-to-read digest of those sections of the Interstate Commerce Commission's revised motor carrier safety regulations which directly affect bus and truck drivers. A number of informative pictures and charts illustrate the publication.

### Just Out

## Automobile Age-Finder

Age-group locator for automobile fire, theft, comprehensive and collision policies.

For every agent, solicitor and clerk who handles automobile policies.

### SIMPLE TO WORK

Postcard Size  
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Problem: Find Age-Group as of September, 1940, of private car purchased new in June, 1938.

1. Move slide-card until arrow points to August, 1940, in first column.

2. Find column listing June, 1938, the month of original purchase. Column heading is your answer (3rd Age-Group).

**Automobile Age-Finder**  
for  
**FIRE - THEFT - COMPREHENSIVE - COLLISION**

ACTUAL VALUE POLICIES

PRIVATE: Fire-Theft Comprehensive	4th Age Group	PRIVATE: Fire-Theft Comprehensive	4th Age Group
APR. '40	APR. '39	APR. '37	APR. '35
MAY '40	MAY '39	MAY '37	MAY '35
JUN. '40	JUN. '39	JUN. '37	JUN. '35
JUL. '40	JUL. '39	JUL. '37	JUL. '35
AUG. '40	AUG. '39	AUG. '37	AUG. '35
SEP. '40	SEP. '39	SEP. '37	SEP. '35
OCT. '40	OCT. '39	OCT. '37	OCT. '35
NOV. '40	NOV. '39	NOV. '37	NOV. '35
DEC. '40	DEC. '39	DEC. '37	DEC. '35
JAN. '41	JAN. '40	JAN. '38	JAN. '36
FEB. '41	FEB. '40	FEB. '38	FEB. '36
MAR. '41	MAR. '40	MAR. '38	MAR. '36

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## Garrett Interests Sell Mid-America

### Kansas City People Are Closing the Casualty Company

KANSAS CITY, MO.—T. W. Garrett, Jr., and his associates have disposed of their entire holdings in the Mid-America Casualty of Cedar Rapids, Ia. The purchasers are experienced insurance men, and will continue the administrative offices of the company in Kansas City with the home office in Cedar Rapids.

Officers and directors associated with Mr. Garrett in the sale of Mid-America are J. Frank Hudson, C. S. Turner, and Al Haas, Kansas City, directors; G. E. Wainscott, Atchison, Kansas; R. Earl O'Keefe, Amarillo, Tex.; W. E. Dean, and L. W. Franks, San Antonio, directors, and J. J. Locher, Monticello, Ia., and H. R. Hazlewood, vice-president, and G. H. Wagoner, secretary.

Mr. Garrett operates Garrett, Inc., one of the country's largest general agencies. The Garrett interests purchased the Mid-America 18 months ago. Underlying the present sale was Garrett's desire to devote all his time to general agency operations.

### Aetna Life Companies on Conscription Service

Details of the present policy of the Aetna Life companies in respect to those employees who may be affected by the mobilization of the national guard and reserve officers and the passage of the conscription bill are announced by President Brainard.

Present employees called for temporary military or naval training will, until further notice, be given leaves of absence, and salary allowances will be made. If an employee has been with the Aetna Life organization less than one year, his salary will be continued for one month; less than two years, two months; and more than two years, three months.

The term "leaves of absence" is intended to mean that at the conclusion of his service an employee in good health and with a creditable military record will, on application to the company, be reinstated at the salary he was receiving when he left to go into training. It cannot mean that the identical position will be available for him, but a position will be open to him at the same pay.

The employee's group life and his dependents' hospitalization insurance will be continued during the leave of absence for a period not to exceed 12 months from the date when the employee actually enters military service. During this entire period the employee's contribution for such insurance will be paid by the company. Hospitalization insurance on the employee's own life will not be continued. Pending any state or federal ruling to the contrary, the usual deductions must be made by the company for social security taxes from any salary allowance.

### Use and Occupancy Talk

ST. PAUL, MINN.—George Maxwell of the Minneapolis office of the Home, will be the speaker at the first fall meeting of the St. Paul Association of Insurance Women, Oct. 8. He will talk on "Use and Occupancy."

## Surety May Protect Self When Contractor May Possibly Default

The right of a surety to avoid possible material and labor losses on a contract bond by seeking "exoneration" in a court of equity was outlined by Kemp Cathcart, assistant bonding director Maryland Casualty, at the convention of the American Bar Association in Philadelphia.

Citing a hypothetical case, Mr. Cathcart illustrated in detail how the surety thus protects its rights when faced with a situation where a contractor may possibly default.

"Let us suppose that a surety has executed a single bond in favor of an owner and on behalf of a contractor, the condition of which bond guarantees the completion of the contract and the payment of bills for material and labor," he declared.

### Balance Due to Contractor

"The contract obligates the contractor to pay for labor and material. The contract has been completed, but there is still a balance due to the contractor by the owner, the exact amount of which is in dispute, which balance the contractor has assigned to a third party.

"There is due by the contractor bills for material and labor going into and forming a part of the contract, the amounts of which bills the contractor disputes. The surety would be liable for such bills if the amounts prove correct and should the contractor fail to pay them.

"The surety is afraid that if the balance under the contract is paid to the contractor, the contractor will not use it to pay the bills for material and labor, and further, if the surety files a stop order with the owner, and the contractor learns he cannot secure the balance due under the contract because of this order, he will refuse to sign the final papers such as the final estimate, a release to the owner, or such other papers as may be required before final payment will be made.

### Remedy of Surety

"From this hypothetical case you can readily see the unfortunate position in which the surety is placed. If it takes any action to tie up the funds, the contractor will not sign the necessary papers before the fund can be paid. If it fails to take such precautionary action, the contractor might obtain and misuse such balance, thereby leaving the surety with the liability for the material and labor bills. The material men and laborers are demanding payment of their bills from the surety.

"Under these circumstances, what should the surety do? What is its remedy? What are its rights?

"A bill in equity asking exoneration is the answer.

"Exoneration is a well-known equitable remedy. It is a right that is broad and flexible. It is a right where the surety seeks the aid of a court of equity because it fears some future probable injury and not because injury has already occurred which requires any immediate relief.

"Under this right the surety can enjoin its principal, marshal his assets, garnishee his property, trace assets, appoint a receiver, set aside transfers of property, have the priorities of the principal's creditors determined, and can cause its principal to pay before it must pay.

"When a court of equity takes jurisdiction of a bill asking for exoneration, it has the power to afford all equitable relief required, and if, as stated in the hypothetical case, the contractor refuses to execute the necessary documents to obtain the balance found due under the contract, the court has the power to grant a mandatory injunction or appoint a receiver to act for the contractor. A bill in equity seeking exoneration offers the best solution of the problem presented."

# All agree



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## FIDELITY AND SURETY

### Customs Bond Manual Is Compiled by J. A. Manning

NEW YORK—A unique listing of laws and regulations regarding customs bonds appears in "Customs Bond Manual," compiled by J. A. Manning, with a foreword by L. E. Mackall, which was placed on sale by Montross & Clarke Company, of New York City. Publication of the book marks the first time in insurance history that this subject has been completely covered in one volume.

It contains concise explanations as to the 40 different types of bonds which may be required under the laws and regulations governing the importation of dutiable merchandise, as well as the rights and liabilities of the sureties under these bonds. Besides a description of each bond form Mr. Manning has included in his work appropriate extracts from and references to the laws and regulations bearing upon the rights and liabilities of the surety. Interrelated subjects are cross-referenced, and there is an index of both subjects and custom form numbers.

Mr. Manning, who is with the production department of the National Surety, 4 Albany St., New York City, has had long experience in insurance work. He was first associated with the American Surety, under R. H. Towner. He later went to the Fidelity & Casualty, where he worked under E. C. Lunt. Following a period of war work, he returned to the casualty and surety field in 1921.

### Colonial Title Surety Has Only Limited Field

PHILADELPHIA — Colonial Title Surety, which is engaged in litigation with Commissioner Taggart, does not intend to enter the general surety business, President West advises. This company represents a conversion of Colonial Title Co. into a surety company, the title business having been taken over by Commonwealth Title Co. Both are component parts of the Philadelphia Company. Colonial Title Surety proposes to write financial guarantee instruments covering construction of homes as an incident to the title business of Commonwealth Title, but intends to go no farther in the surety field. Commissioner Taggart demanded that Colonial Title Surety put up a deposit of \$100,000, but the company contended that such a deposit is required only of foreign surety companies, not of domestic institutions. A friendly suit was started in Dauphin county court in Harrisburg to determine the issue.

### Surety Association Meeting

NEW YORK—The Surety Association of America will hold its annual meeting here about the middle of October, the exact date to be later announced. The gathering would have been called earlier were it not that many officials of the member companies desired to attend the joint convention of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents, at White Sulphur Springs, Oct. 7-10.

### McGee Agency Places Bond

KANSAS CITY — The \$1,095,595 bond covering construction of a bridge over the Mississippi river between St. Louis and Cape Girardeau, Mo., was placed here this week by the Thomas McGee & Sons agency with Central Surety as the originating company. The bond is a 100 percent one, covering the full amount of the bid.

New constitution and by-laws will be discussed and acted upon by the Casualty & Surety Underwriters Association, Kansas City, at its first fall meeting here Sept. 27.

### Two Companies Join the Surety Association

NEW YORK—With the recent admission of the Pacific Employers of Los Angeles, and the Preferred Accident of this city, to the Surety Association of America, the membership of the body was increased to 44 companies. The entry of the Pacific Employers into the fidelity and surety field is an extension of the lines it had been writing since its formation in 1923, which included health, liability, auto liability, workmen's compensation, burglary and theft, together with automobile public liability, collision and automobile general. While it has qualified for placement upon the government's list of acceptable carriers, the understanding is its direct agency business in the fidelity and surety branch will be confined, for a season at least, to California. The long established Preferred Accident, while writing certain of the casualty lines for many years, has restricted its acceptance of fidelity and surety business to reinsurances, a practice it will continue to observe.

however, delicious candy tidbits. As soon as he was introduced or when he saw an old friend he reached into his pockets, pulled out some and handed them out.

The "Time" magazine in its current issue, in speaking of advertising, refers to the use of four leaf clovers. It tells about C. T. Daniel, who resides at Balboa Heights in the Canal Zone, at Panama City, who has made a specialty of growing four leaf clovers until now he has a large field, having sold 6,000,000 such clover leaves so far this year for \$40,000. He tells about his New York agent on Friday, the 13th, selling 1,000,000 four leaf clovers to the Travelers. The article states that Mr. Daniels and other dealers in the four leaf clovers encourage as far as possible superstition and its supposed good luck proclivities. The Travelers is using the leaf in a transparent celluloid calendar and under it reads, "For luck—a four leaf clover. For protection—the Travelers."

The head office of the Continental Casualty and Continental Assurance were affected last Friday by the explosion of a preheating unit in the basement of the Standard Oil building, Chicago which put all the lights, elevators and toilet facilities out of commission inasmuch as the building has its own

power plant. The companies home offices are there. The building, however, was in condition to be occupied Saturday morning, although a number of tenants did not have their full quota of employees reporting at that time.

The employees of the Continental Casualty and Continental Assurance were hardly sensible of the explosion although they heard a muffled noise. Those on the second floor of the building knew that something was going on. Enough of the elevators were restored to use by Saturday morning so that they could get the people to work. By Monday morning everything was in order. The Continental Casualty carries the boiler insurance for the building.

Ray Murphy, assistant general manager Association of Casualty & Surety Executives, addressed one of the American Legion convention sessions in Boston this week. He is a past commander of the legion.

George A. Riddick, 56, special agent Aetna Casualty, died at his home in Richmond, Va. He had been with the Aetna organization 18 years.

B. F. Wilkie, who was in the real estate and insurance business there for 20 years died in University City, Mo., at the age of 62 years.

## PERSONALS

A. E. Armstrong of Cleveland, field supervisor of the central department group and pension department of the Aetna Life, who will give an address before the annual meeting of the Ohio Association of Insurance Agents at Cleveland the afternoon of Oct. 1, has jurisdiction over Ohio, Indiana, Missouri, Kentucky, Tennessee and West Virginia. He is in charge of all group operations in this department. He is a graduate of Texas University and started with the Aetna Life in its group division school in Hartford following his graduation in 1927. He has seen service in the group field in the New Orleans and Atlanta offices. Later he was made manager of the group department at New Orleans and subsequently at Houston, Tex. He became field supervisor of the central department at Cincinnati in May, 1937, and was transferred to Cleveland to take a larger field in 1939.

Sam L. Cotter, formerly secretary of the Shawnee Mutual of Lima, O., has fully recovered from his recent illness and is now ready to become active in business again. He has had 20 years of experience in casualty underwriting, claim and managerial work. He is now located in Cincinnati.

A candlelight service at St. Matthew's Church in Wauwatosa, Wis., united in marriage Miss Ann Pripps, daughter of Mr. and Mrs. H. W. Pripps, and J. P. Berkeley, formerly of Madison, Wis. The bride's father is associate manager of the Milwaukee branch of the Fidelity & Deposit. The young people, both graduates of the University of Wisconsin, will make their home in Corry, Pa.

One of the visitors seldom seen at conventions of the National Association of Insurance Agents is Vice-president P. A. Goodale of the Preferred Accident. Mr. Goodale is in charge of production. He is a native of Boston and is a Massachusetts Tech man. He became an agent of the Preferred in 1903 and some two years later was appointed manager of the branch office at Boston, serving until 1934, when he was elected vice-president. He was accompanied to the convention by the charming and glamorous Mrs. Goodale. Mr. Goodale is a student of psychology and recognizes the value of doing or saying something whereby he will be remembered. Therefore, at all times he kept his pockets jammed full of what appeared to be various colored small stones that are seen at the bottom of fish bowls. They turned out to be,

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## THE OHIO CASUALTY INSURANCE COMPANY

HOME OFFICE

HAMILTON, OHIO

## NEWS OF CASUALTY ASSOCIATIONS

### Nixon Elected President of Des Moines Club

DES MOINES—The Des Moines Casualty & Surety Club at its annual meeting elected H. W. Nixon, Maryland Casualty, as president, succeeding J. R. Owens, Fidelity and Deposit.

Wesley Barnes, assistant manager U. S. F. & G., was elevated from second vice-president to first vice-president. Claude Houghton, Great American Indemnity, was elected new second vice-president, and Henry Haines, "Underwriters Review," reelected secretary-treasurer. Clare Ibsen, Aetna Casualty was named a member of the executive committee.

Mr. Owens was given a traveling bag which was presented by C. Moriarty, manager U. S. F. & G. Committee appointments will be announced at the next meeting Oct. 14.

Harry Denny, foreign correspondent New York "Times," who as a guest of Frank Noble, American Surety, was a surprise speaker, talking on the European troubles.

### Boston Actuaries Club Meets

BOSTON—The Actuaries Club of Boston will hold its first meeting of the fall Sept. 27 with J. W. Tebbetts as chairman. E. T. Berkeley will discuss "The Duties of a Casualty Actuary" and there will be consideration of the subjects of the mortality and new business of member companies, dividend distributions for 1941 and surplus requirements; war risks and related problems; current events and legislative requirements for countersignatures on casualty policies.

### Luyendyk New Club President

GRAND RAPIDS, MICH. — The Grand Rapids Adjusters Association elected new officers: President, J. B. Luyendyk; vice-president, A. R. Sherk; secretary-treasurer, Raymond VerMerris. Joseph Deeb, U. S. district attorney in the western district of Michigan, spoke on "The Office of District Attorney."

### No Special School Bus Rate

LINCOLN, NEB. — The National Bureau of Casualty & Surety Underwriters was advised by Director Smrha that because of the small number of school buses in operation in the state—only about 200—he does not deem it necessary or advisable to issue an order making them eligible for the same rates quoted for private ownership. The bureau had suggested that Nebraska might well follow the example of the Kentucky and Colorado commissioners.

Winfred Bailey, superintendent of deposits Iowa department, lieutenant colonel Iowa national guard, was one of five officers ordered to a year's active duty in the regular army in connection with the selective draft. He was one of the officers who aided in setting up the registration program for the state.

## COMPANIES

### North American L. & C. Is Expanding Its Organization

MINNEAPOLIS—Appointment of several new agents and enlargement of agency offices in both of the Twin Cities mark progress in recent months of North American Life & Casualty of Minneapolis, Minn.

Agents named: A. R. Jepson, Duluth; L. C. Howard, Mondovi, Wis.; G. M.

Vinquist, Albert Lea, Minn.; and George Teeson, Alexandria, Minn.

Mr. Jepson has been in the insurance business there for six years. Associated with Mr. Howard will be his father, L. C. Howard.

Mr. Vinquist, although comparatively new in insurance, has attended the Hartford Insurance College. Immediately after his appointment, he secured endorsement of the hospital at Albert Lea for the North American group hospitalization plan.

The C. Osterberg Insurance Agency, for the past 10 years handling North American Life & Casualty for Minneapolis, recently moved into new quarters on the main floor of the Foshay tower.

Offices of the St. Paul division of North American Life & Casualty, 524 Empire Bank building, have been doubled in size by addition of 1,200 square feet of floor space in the same wing of the building. E. J. LeClair is St. Paul district manager.

### Motor Vehicle Casualty Moves

The Motor Vehicle Casualty of Chicago has moved its head office to 309 West Jackson boulevard, telephone num-

ber Webster 7700 being unchanged. The new office has been planned carefully with the aid of professional consultants. It will provide improved service. C. L. Garnett is president; O. Shephard, vice-president; and G. W. Casey, vice-president, secretary and treasurer and manager of the claim department.

New England Casualty and Michigan Mutual Liability have been licensed in New Hampshire.

The Truck Insurance Exchange of Los Angeles has been admitted to Kentucky to write full automobile coverage.

### Honor Careful Truck Drivers

BUFFALO, N. Y.—Safe driver emblems and certificates were presented to 253 Erie county truck drivers by the General Accident at ceremonies presided over by C. H. Wilson, president Wilson, Forster & McCall, Buffalo agency. The awards were given to men who have driven county vehicles from two to 10 years without an accident. Seventy-eight reached the nine-year safety record.

### Attend Bankers Meeting

ATLANTIC CITY—Among other attendants at the annual convention of the American Bankers Association here, which began at Haddon Hall, Monday and concluded Wednesday evening, was

Martin W. Lewis, president, and W. K. Mendenhall, head of the research division of the Towner Rating Bureau. At the 1939 gathering at Seattle, K. H. Bair of Greensburg, Pa., a past president of the National Association of Insurance Agents, delivered an address on the forms of bank burglary and allied coverages issued by casualty and surety companies.

### North American Acc. Brochure

The North American Accident of Chicago has gotten out a brochure in memory of A. E. Forrest, its president, who died Aug. 28. There is a tribute paid to him by Vice-president George Manzelmann and then a sketch of Mr. Forrest's career. A number of characteristic pictures are shown of Mr. Forrest, showing him twice in his office. There is a very excellent photo of Mr. Forrest as he appeared later in life and one in his earlier years with a massive growth of black whiskers. The sketch of Mr. Forrest and an outline of his work in Chicago is exceedingly interesting and inspiring. This sketch was written by Mr. Manzelmann, who was devoted to President Forrest. Mr. Manzelmann went with the North American Accident years ago and he was educated and developed by Mr. Forrest in the accident and health lines.

## 50+ Years of Service

The Preferred Accident has throughout its 55-year career built up and maintained a progressive staff of agents in all parts of the country with whom its relationship has been friendly and mutually profitable.

The cornerstone of the Preferred's success has been gradual, steady growth, the emphasis being on careful underwriting in both field and home office, and a policy of claim settlements that builds good will among policyholders.

That agents appreciate this program in its broad aspects is indicated by their long time representation of the Preferred.

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Plate Glass Liability

THE PREFERRED ACCIDENT  
INSURANCE COMPANY  
of New York

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President



## All Citizens Must Assume Burden of Saving Nation

(CONTINUED FROM PAGE 5)

people, however, have a right to know that the money for defense will be spent wisely and for material that is needed and useful.

He discounted the theory that the United States is in any danger of immediate invasion and cited figures to support his contention that a successful invasion requires the greatest armada of all times.

"All will agree that America should be fully prepared against foreign aggression. But so far as the loss of our liberties is concerned, I am just as fearful about what may happen to the republic if we bankrupt the federal treasury. It's no use insuring one's house against fire if the premium equals the amount of the insurance. The premium we pay for so-called defense might carry in its wake a result that every true American would find too costly."

### Avoid National Receivership

Dictatorships, he said, are national receiverships brought on by centralized government control.

"There is another aspect of this rearmament program that should not be overlooked," he said. "As business men we cannot fail to realize that the spurt in business coming from this program does not represent sound prosperity. Armament production disorganizes industry and workers. It will raise many problems when our factories return to the job of making things that people need and can use.

"No consideration of the subject of defense would be complete without reference to that most important factor, the spirit of the people. It generally is conceded that this has been of the utmost importance in the war that has been going on in Europe. The countries which tried socialistic experiments in government with short hours, five-day weeks, and all sorts of unemployment benefits were destroying and not building character. They learned too late that real accomplishment is not achieved without hard work and that work and not ease makes people and nations strong."

American men and women must assume their full share of the responsibility, he said. Their first responsibility is preservation of our country, which is worth whatever it may cost.

Mr. Kemper concluded that the things that we will defend are the things for which our fathers were willing to die.

In opening his remarks, he said he was in the city of his forefathers. His grandfather's grandfather's church stood but a stones throw from where he was making his address. He was introduced by L. G. Purmort, Central Manufacturers Mutual, retiring president National association, who was toastmaster. Mr. Purmort was given a silver pitcher as a memento of his term of office.

### LATE FIRE NEWS

#### Underwriters Adjusting Changes

G. H. Blum and H. H. Moore have been appointed assistant general managers of Underwriters Adjusting, Chicago, to fill the vacancy caused by the death of E. E. Heasley.

Mr. Blum has been associated with Underwriters Adjusting for 16 years and prior to that time had practical experience with Armstrong-Blum Manufacturing Company and building construction work. Mr. Moore, who has also been with the company for a number of years, was formerly with Continental Casualty and later with Travelers, all of his experience being in claim work. He has been supervising automobile and special

line claims for Underwriters Adjusting, and was recently made Cook County manager.

#### Paul to New York for Travelers

MINNEAPOLIS—Noman Paul, for the past 10 years casualty manager in the Travelers office here, has been transferred to New York as manager of Travelers' 42nd St. branch. The promotion is effective Oct. 1.

#### Issue Comprehensive Glass Form

The Firemen's of Newark casualty companies have put on the market a comprehensive glass policy in which is incorporated the supplemental coverage endorsement or otherwise broadened coverage.

#### Joins Jones & Whitlock

L. A. Waite has joined the Jones & Whitlock organization in New York City as business production manager, a post he held for some years previously with the Travelers. Now celebrating its 100th anniversary the Jones & Whitlock office is one of the oldest of its kind in the country. It writes in addition to inland marine, general fire, casualty and automobile lines.

#### Raymond Rhoads Is Dead

COLUMBUS, O.—Raymond Rhoads, 57, assistant state superintendent of insurance, died of a heart attack at his desk in the State Office building, Tuesday evening. Formerly he was an agent of the Northwestern Mutual Life. He was scheduled to take part in the annual meeting of the Ohio Association of Insurance Agents at Cleveland next week. The funeral will be held Thursday afternoon. He had a heart attack some days ago.

#### Lahey for Brokers' Luncheon

The Illinois Brokers Association will inaugurate its monthly luncheon sessions on Oct. 3 with a talk by Edwin A. Lahey, one of the authors of the series of articles on "Political Racketeers in the Insurance Business" which appear in the Chicago Daily News. Clark E. Nolan, president, will report on the injunction on equity rating. The luncheons are open to anyone connected with the insurance business.

#### Montana Field Men to Meet

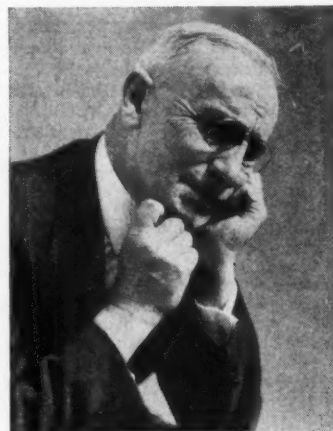
GREAT FALLS, MONT.—The annual meeting of the Montana Special Agents Association will be held here Oct. 3, and the fall meeting of the Montana Blue Goose will be held the following day. At the Blue Goose gathering there will be a luncheon for the ladies, a men's golf tournament and a banquet in the evening, at which will be featured "the great female impersonator," Jackie Culver, star of Karst Camp.

#### Cases Indefinitely Postponed

KANSAS CITY, MO.—Trials of T. J. Pendergast and R. E. O'Malley by the circuit (state) court here on charges of bribery and accepting a bribe in connection with the Missouri fire rate case settlement have been postponed indefinitely.

#### State Bonding Deficit

PIERRE, S. D.—The final red ink figure on South Dakota's state bonding plan which started in 1919 is \$17,925. A concluding 7 percent dividend was paid early this month. A quarter of a century ago South Dakota announced a plan "to take the profit out of writing bonds for state and county officers. An appropriation of \$50,000 was made by the legislature. The plan was ordered liquidated by the legislature in 1939. South Dakota hatched various schemes for "saving" the people's money some years ago, including such ventures as a state coal mine, state hail department, state rural credits, etc. All have gone down with deficits aggregating large sums.



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DETROIT - - - MICHIGAN

## Buffalo Meeting Observations

(CONTINUED FROM PAGE 3)

country to go to California but the Californians trek clear across the continent to the annual and semi-annual meetings and therefore, they rightly deserve to have the convention in their domain at least once in a decade. The semi-annual meeting therefore, will be at Oakland some time in April. This will have been the first time that a convention has been held in the northern part of the state. There have been two annual conventions at Los Angeles, one in 1921, with Fred J. Cox of Perth Amboy, N. J., as president and the other in 1931 when W. B. Calhoun of Milwaukee was president.

Why not go to San Francisco? San Francisco is truly a brokers' city. It has no local agents but even New York City has local agents and one, A. J. Smith, has been on the executive committee of the National association for two years. However, San Francisco is an aching void so far as local agents are concerned. None from that city is prominent in association work. The executive secretary of the California association, Frank C. Colridge resides in Oakland as does the National Councilor C. Elmer White.

### CONVENTION BADGES

Once more I raise my voice in strident and loud tones about the badges that the National Association of Insurance Agents has and in fact many other organizations, are equally guilty. They are an abomination and should be outlawed by the U. S. Supreme Court even if the case of Paul vs. Virginia decision has to be reversed. Take for example at Buffalo. The frame in which the name and address were typed was small. Members had a white background and nonmembers blue. Think of trying to see a name typed on a blue background. What is the function of a convention badge? Its sole use is to have a man's name and perhaps his town shown so that people will know his identity. It is some gratification when one can look ten feet ahead and read a man's name on his badge. It is most satisfactory to the person addressed and to the one who is making the approach. The one making the approach calls the other by name. The other is flattered. In the case of the Buffalo badge, for instance, one had to twist his neck into an abnormal position to get his eyes down two feet below the proper station and make tremendous display of nonchalance in deciphering the name. In some cases a man would agree to readjust the badge and that gave him an opportunity to read the name.

Go to the American Life Convention annual meeting and you will see a badge worth bearing. It is in a comparatively large frame and only the person's last name appears. If there are others of the same name then the initials are given (W. H. Bennett). That suffices. The town is in my opinion unnecessary. Let us have reform in badges.

### PREDICTIONS

I have been criticized for attempting to predict each year who will be the probable man to start up the line. Those who are brought into the picture the critics say are embarrassed and the claim is made that it is an undignified procedure. I challenge the statement. I am not a member of the National Association of Insurance Agents nor any state association. Therefore, it would be highly presumptuous on my part or on part of our publication to electioneer for anybody or to espouse a candidate. We do not do that. It is our province, however, to let our agency readers who are members know the available candidates and their qualifications. If we attempted to dominate the election that would be an entirely different thing. It is the function of an insurance newspaper, however, to give the best informed thought on the subject. Predictions by THE NATIONAL UNDERWRITER

are only made after a careful checkup is made on the conclusions reached by those connected with the publication. It makes interesting reading if nothing else, to know who are appropriately in the running and who are qualified to hold the job. Therefore, I announce now from the pulpit that I will continue to be a predictor.

P. S. Allan Wolff in my home city of Chicago does not inspire these predictions. He has nothing to do with my prognostications.

### GRADED COMMISSIONS

In connection with graded commissions according to size of premium, companies are very sincere in their effort to bring about some readjustment where the big premium risks can be written and held in competition with outsiders that grant concessions. At the conference at Buffalo between the executive committee and company and association officials with some other prominent agents sitting in, Secretary Perkins of the Travelers plainly stated that the companies had no program or procedure to recommend but they felt that it was a question that should be decided between the producers and the companies. He acknowledged that it is not a one-sided proposition.

### Want More on Small Premiums

Seemingly the agents are perfectly willing to agree to the graded commission system whereby lower commissions will be paid on higher premium risks provided the commissions on the small premiums are increased. Furthermore they declare that the companies should stand their share of the bargain and that the expense loading on the higher premium risks could well be reduced. Some of the agents contend that a fixed percentage of commissions for all classes of business, regardless of size of premium, is illogical and unscientific. It is too small for the lower premium risk and too high for the larger.

### Research Laboratory Needed

This brings up the suggestion that has come from certain quarters that what the business needs most of all is a research laboratory that can analyze these various features that are coming up and do it in a logical, scientific way. There has never been, for instance, a cost accounting study of the acquisition problem as related to different classes of business and different sized premiums. The general impression exists that there are certain classes of risks in the same category that are paying far more than their share and paying for the deficit in another. Some of the profound thinking agents are taking the position that there must be some research work done in insurance in order to arrive at correct conclusions. There is no call for patch work or temporary expedient but the whole question of acquisition cost should be subjected to a very careful survey.

### BRANCH OFFICES

The resolutions committee certainly had a very hard nut to crack. The committee first met on Tuesday afternoon.

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our Agents can write all the popular automobile coverages in a good and broad policy, but—far more important than that—they know they have dependability and loss-paying service that will make them a stand-out in any community.

## ILLINOIS CASUALTY COMPANY

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FOR IOWA.....Frank B. Gustafson  
NORTHERN ILLINOIS.....D. A. LaShelle  
SOUTHERN ILLINOIS.....R. H. Miller

Service Office for Chicago—Home Owners Agency



There was another meeting Wednesday afternoon and then there were two or three meetings after that. In fact the committee was in session up to almost the deadline when the report was called for at the last session Thursday afternoon. It was another case where the mountain conceived and bore a mouse. The resolutions that came forth were decidedly harmless.

The difficult issue for the committee was in connection with branch offices and especially the situation that came up in Florida. The production branch office certainly is a hard one to meet because both sides have excellent arguments. For instance, the Travelers had a branch office at Jacksonville covering life and accident insurance. Then as it does everywhere, it established a branch for fire and casualty insurance. The Travelers' agents in the cities where these branch offices prevail are full time insurance men. Some major on fire, some on casualty and some on life insurance, but they sell all classes and are carefully chosen. They are well informed and well trained. The company drills its agents on the various lines that it writes. It regards them as bona fide full time insurance agents. The company contends that its agents are more than the mine run of solicitors. The Travelers holds that its agents are genuine insurance men and are deserving of full consideration. They are paid what it terms "producers' commissions" or brokerage.

The local agents on the other hand are opposed to the branch office system feeling that they are brought in competition directly with solicitors that are not on the same par with themselves. It was stated that this branch office at Jacksonville is the first one in the state that is seeking business direct and has its own agents. Evidently the Florida state association officials are worked up because they look upon this as a forerunner of other branch offices.

The branch office issue is one of the most difficult to settle because it represents a plan of operation that some companies have employed for many years. The resolutions committee was not able to bring out a draft that would meet the approval of the majority and hence the whole subject was tabled until the mid-year meeting in Oakland.

Seemingly the situation is complicated in Florida because the complaining agents declared that the Travelers not only does business through its own direct solicitors under the jurisdiction of the branch office but has regular local agents in Jacksonville where the fight centers. This means that the company is operating on two bases which apparently is the chief cause of complaint.

The National association has steadfastly held that a production branch office should be put on a par with commission agencies so far as payment of commissions is concerned. It is charged that in some cases producers can get the same commission from a branch office that the agents receive and yet the former do not have to pay rent or office expense.

The branch office issue is tied up with the countersignature question and seemingly the executive committee will consider them in the same breath. Many agents favor limiting countersignature to commission agents which would prohibit branch office managers or other salaried employees from countersigning a policy. The provision in the Virginia law limiting countersignature to commission agents was upheld by the U. S. Supreme Court.

## Cooperation Urged at Mutual Agents Annual Convention

(CONTINUED FROM PAGE 3)

Mr. Best said that mutual companies are broadening their underwriting operations, most of the so-called "class" carriers now writing a general business, and many mutuals which were once local having materially extended their territories. In the fire field, this is increasing both the expense ratio and the loss ratio. In some casualty lines, such as workmen's compensation, the mutual loss ratio is running higher than that of the stock companies, so the cost gap is being closed. Further, he pointed out, more and more mutuals are issuing non-assessable policies and operating through local agents, while on the other side of the fence retrospective rating in workmen's compensation and the safe driver reward on automobile insurance represent mutual features being taken up by stock companies. He said that both classes of companies have existed side by side for 150 years, which is good evidence that the public believes there is room for both. He said that the public would gain nothing if one class of carriers were eliminated, because it would be necessary to duplicate the machinery that class has set up to right the business, so the expense would be as great as it is now. He urged a "live and let live" spirit on the part of officials and agents of both stock and mutual carriers, saying that when they attack each other they undermine the confidence of the public in the insurance business and that a good salesman should emphasize what he has to sell and not advertise his competitor's products by attacking him.

State supervision, Mr. Best said, has taken in many fields since it was originally instituted to see that insurance companies obey the law and were solvent. He said that state control of rates is a relatively recent development, but he thinks it is desirable, if the state bears in mind that the public must be protected and also that the rate must be adequate to safeguard the solvency of the companies, which principle is widely recognized in rating laws. He attacked the life insurance inquiry of the Temporary National Economic Committee, saying that it cost about \$800,000 and produced little information of tan-

gible value to anyone. He said that it was really an attempt to build up a record justifying federal supervision and putting the federal government into the life insurance business, which would partly be a stepping stone to writing other insurance. He pointed out that the delegation of power to anyone usually creates a desire for more power, and power once delegated is very hard to recover.

Mr. Best said that all branches of insurance should unite on a program to inform the public of the vast contributions both stock and mutual companies make to the nation's economic machinery. He declared that neither stock nor mutual insurance, nor the agency system, is indispensable to the future prosperity of America, and "if our system fails to serve the public as the public feels it should be served, or if it bogs down under its own petty jealousies, that very public which has raised insurance to the second most important business in the nation will discard it for another system."

Discussing some of the bickerings that have been aired in public, Mr. Best said that the objection to the profit motive and consumer cooperative argument "is that they presuppose the profit system has a lien on the purchaser's dollar. What does the American breadwinner himself think about this? Hasn't he always considered it his inherent right to spend his dollar where and how he pleases, whether it be for insurance, groceries, luxuries or any other commodity or service?"

"Further," he continued, "the agent has his own local business problems and it is an imposition for either stocks or mutuals to ask him to fight their competitive battles."

## Skunk Claim Made a Clever Advertising Scheme

The H. H. Martin Company of Longview, Wash., did a clever piece of advertising as far as automobile insurance is concerned. The agency represents the Occidental of San Francisco. One of Mr. Martin's policyholders who had a comprehensive automobile policy was driving along a sequestered road when he ran into a skunk. As the "Fireman's Fund" puts it, "The damage was not a direct result of a collision but an afterthought on part of the kitty." The policyholder made a claim as the car had to be thoroughly cleansed. As the "Record" says, "The car washer did not enjoy his work very much." Agent Martin saw the publicity possibilities reproduced the check for the loss and told what the loss covered, and advertised in his local paper.



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BOTH GROUP AND INDIVIDUAL  
PLANS



A STOCK COMPANY WITH THE  
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# POINTERS FOR LOCAL AGENTS

## Agency Operation and Management Discussed

The group sessions at the annual meeting of the National Association of Insurance Agents devoted to agency operation and management are becoming more and more useful and practical. There are three such groups, the first being for those producing up to \$100,000 in annual premiums, and Group 2 for those between \$100,000 and \$300,000, and the next over \$300,000.

At Group 1 session, W. C. Vaughan of Louisville presided. He said that most small agencies are one-man organizations. The owner is handicapped because he has no partner or key man with whom to discuss various features of agency work. Therefore, unless he watches himself he is liable to become single minded.

### Glassick Led the Discussion

W. B. Glassick of Hollywood, Cal., led the discussion on agency management and office mechanics. He urged keeping an office file so that one could find anything he desires very quickly. He said that more local agents fail from poor accounting than from any other cause. At present, he made the startling statement that 75 percent of the agents could not successfully liquidate their agencies. An agent, he said, should know where he is at any time. He said that in regard to accounting first he wants to know what are the net premiums for the month at the end of the month. Next, what are the commissions. Third, the total expense including salaries, which the head or heads of the agency draw. He said that there should be a definite salary drawn based largely on the average of the profits for the previous months. Then there should be profit or loss items. He suggested a simple form of accounting. Mr. Glassick said that he wanted to know at any time the ratio of commissions to premiums written and the ratio of expenses to premiums written.

### Should Maintain a Reserve

He said that an agency should have a reserve for depreciation, for doubtful accounts, for return commissions, especially if the account is kept on a written basis, there should be a minimum reserve for net commissions on accounts 90 days outstanding. He suggested 10 percent of the outstanding accounts as of Dec. 31 for a reserve basis. The books should reflect the actual financial condition of the agency. Mr. Glassick said that the expense ratio should run not over 8½ percent with executive salaries excepted. An agency, in his opinion, should keep a substantial surplus in the way of a reserve to meet any emergency. He thinks, for instance, that a small sized agency should put up \$25 each month toward a surplus.

### Bookkeeping Machine

The question arose as to a small office having a bookkeeping machine in view of its expense. Some have held that an agency is not justified in having such a machine unless it writes \$200,000 or more. One delegate who has a large number of small accounts said that he had found a machine an economy. Therefore, it was agreed that the number of accounts often should be the deciding factor. Where an agency has large accounts and a few of them, it is not an economy. One speaker said that there is great need of educating policy-

holders to pay their premiums promptly. Where an agent is obliged to give considerable time to collections he loses much momentum in production. Mr. Glassick said that he used no form letter on unpaid accounts. He makes each one an individual letter, particularly appropriate to the person or concern that he is addressing. One agent said that he sent out a notice after the first bill where the premium had not been paid reading, "Don't let your insurance expire. Final date for payment is —." Another delegate said that he always enclosed a business reply envelope and found that his collections were improved. Another agent said that he always sends bills on the actual anniversary of the policy rather than mailing all at the end of the month. This every day billing, he said, impressed customers.

### Building Agency Good Will

A. V. Livingston, Englewood, N. J., was the leader in a discussion of building agency good will. He said that if agency advertising is of any value it should be continuous. An agent should have a definite program in this regard. Mr. Livingston strongly urged agents not to use company stationery in their correspondence. "The main object," he said, "is to advertise yourself. You are the main factor in your business. Much company material is useless because it advertises the company so much and not you. Spend good money for good stationery and your own supplies."

Mr. Livingston finds radio advertising too expensive for a local agent although one man said that he had recorded excellent results from brief radio script. Mr. Livingston advised the use of town newspapers, not metropolitan dailies. He decried the use of any boiler plate advertising material sent out by companies as he characterized it as too standardized and conventional. It does not have the personal touch. "There should be an individuality about local agency advertising," he said, "so keep it up and don't let moss grow on it." In other words, have a different story to tell. Very often an advertisement should tell something about the unusual. Where an alert local agent is on the job he can get news stories in his local paper that are of human interest and that will incidentally use his office name. When one of his employes has an anniversary, say 15, 20 years of such a period, he always has a story in the local paper about this employe and of course his agency is brought in.

### Use of Telephone Directory

Where a man lives in a small or medium sized town the telephone directory is a good medium of advertising. He sees very little benefit in advertising in local programs. There are all kinds of demands on agents from this source but he turns them all down and thus shows no favoritism. Sometimes he will buy a couple of tickets in order to get rid of the advertisement where he finds it will be very embarrassing to turn a person down who is soliciting him. One agent said that in his town the local board uses collective advertising in programs where all the agents' names are appearing, and each makes a pro rata contribution.

Mr. Livingston said that he uses book matches with his own name but no com-

pany name. The match company will have its local dealer distribute these among business and professional offices. Direct mail advertising for prospective customers, Mr. Livingston finds highly successful. It is necessary, he said, to possess mechanical equipment to do the job. He watches for unusual occurrences and will use perhaps a big fire loss or accident of some kind as a topic for immediate mailing. He varies his appeal and character of advertising.

### Use of Novelties

In the discussion there was a difference of opinion expressed as to the value of novelties. If they are cheap or are something that is very common and often distributed, they have little value in Mr. Livingston's opinion. It is necessary to purchase something worth while and then the novelty becomes too expensive. If one distributes novelties, he said, it is necessary to send one to every customer or there will be ill feeling. He uses calendars and blotters, keeps them in his office and school children come to his headquarters for them. There is no public distribution. He encourages children from ages of 14 to 18 to come for blotters and calendars because often in school there are essays required on some form of insurance and he lets it be known that they can get full information from him.

### Use of Loss Service

It was advised that the National Association of Insurance Agents cut be used. Mr. Livingston stated that in his opinion if an agent could get a good slogan it is highly desirable to employ that. Some of the delegates brought up the point that one of the best forms of advertising is to get in personal touch with the policyholder in case of any kind of a loss. That is when real service is needed and when it will be appreciated. One agent said that he acknowledged the receipt of bills that are paid especially if they are of some size. In case of new customers one man said that they deserve special personal treatment. It would be well to deliver the first policy or so to such prospects. Where prospects are well known Mr. Livingston said that he felt there is no need for personal calls, this being especially true where he gets in touch with the prospect every once in a while and, therefore, there is no reason for delivering a policy personally. This requires time and takes away time for production. In talking to a prospect an agent, he said, should convince him that he is in a position to do more for him than someone else.

### Successful Selling

T. G. Redden, Greensboro, N. C., led the discussion in the third item, "Successful Selling." It was agreed that selling should be done with courage and the agent should never be on the defensive. Mr. Redden held that there should be a definite selling plan. The agent, he thinks, should be free from office routine and detail. That should be handled by someone else. One of the stiffest competitive problems to meet is that of a low rate of non-stock or cut rate companies. Much time is consumed in defending attacks of this kind. Therefore, Mr. Redden has concluded that it pays every agent at the very start to sell business so substantially that a customer cannot be dislodged without a terrific bombardment. In other words, the initial selling determines its continuity. When he sells a policy to a beginner he impresses him with the fact that he can only help him buy his insurance intelligently and safely. As he continued, "I

tell a customer that I have nothing to sell except service. I am not insuring anyone. I get all the information I can about a prospect and then I ask him what protection he thinks he should have or what he already possesses. Sometimes a prospect will tell me that he can get 40 percent off manual rates. Then is the opportunity to take sufficient time to explain the different qualities of insurance and the different kinds of protection. When you are able to differentiate the kinds of insurance that cuts down sales resistance very much."

### Servicing Accounts

The fourth topic in this group had to do with servicing accounts and there were two leaders, one E. H. Moore of Birmingham and A. H. Case of Marion, Kan. Mr. Moore said that he made it a habit to look after a customer's needs at all times. This does not mean that he only goes around when he delivers a policy but he tries to keep on a friendly basis and watch over his interests to the best of his ability. He wants to know what the customer can do in paying an account. He explains how accounts can be budgeted. He tells about instalment paying and the use of finance companies. Very often an agent can make a decided impression by giving expert engineering advice. If he is not able to do this personally he can get one of his companies to assist him or he can go to the rating bureau for such service. Mr. Moore delivers every loss draft, if possible, personally. That gives the agent an opportunity to talk over with his client his insurance situation.

### Mr. Case's Service

Mr. Case said that he makes a survey of every risk, even if it is a very simple one. He does this with all his farm risks. He thus can ascertain whether there are any hazards that can be removed without too great an expense in order to get a rate credit. He gets an analysis of the rate makeup and picks out the penalties in the rate structure. He urged his listeners to watch the insurance on personal property owned by a farmer. That belongs to him. He may have a mortgage on farm buildings but the personal property is usually without lien. In small cities and towns, Mr. Case says, an agent should be present when a loss is adjusted, not being there to make trouble or interfere but to give the claimant the satisfaction of knowing that his interests are being watched. Personal delivery of a policy, Mr. Case said, gives the opportunity to talk over any additional coverages that may be needed or an adjustment of insurance.

## GROUP NO. 2

R. M. L. Carson, Glens Falls, N. Y., presided over Group 2. Financing of premiums was first discussed. Where an agency does its own financing, it is important to make a small charge therefor, it was agreed, both to cover expense involved and to avoid charge of rebating by insurance department authority.

John L. Tiernon, Jr., Buffalo, passed out copies of premium note forms he has used successfully. He also described a system of handling old accounts directly through solicitors who produced the business by which their collection problems have been eliminated.

Budgeting accounts of large customers on a monthly basis was described as very effective and satisfactory. Getting business of large accounts on a

(CONTINUED ON LAST PAGE)



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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Program Announced for Kansas Meeting

Program for the annual meeting of the Kansas Association of Insurance Agents to be held at the Hotel Bisonte, Hutchinson, Kan., Oct. 9-10, has been announced. It is:

#### Wednesday, October 9

12:15 p. m.—Joint luncheon, executive committee, zone chairmen, local board officers.

1:00 p. m.—Golf, Hutchinson Country Club.

7:00 p. m.—Get-together dinner, N. N. Kline, master of ceremonies, Hotel Bisonte.

8:00 p. m.—Smoker, Hotel Bisonte. Hutchinson Insurance Board, host.

#### Thursday, October 10

8:00 a. m.—Insurance Women's Complimentary Breakfast.

9:00 a. m.—Conference of all zone chairmen and zone committee members. V. G. Henry, association vice-president, presiding.

#### First Convention Session

10:00 a. m.—Convention opening: Call to order by L. W. Jones, Dodge City, president.

Invocation, Rev. Mr. J. H. Chillington. Commentator: Bert Mitchner, Hutchinson. Commenting on reports of administration and officers.

Awarding of membership contest prizes.

Discussion: Does the Kansas Financial Responsibility Law Cancel the Need of Compulsory Automobile Insurance?—H. C. Cunningham, adjuster, Sheffer-Cunningham, Wichita.

Legislative committee report, Harry Tinklepaugh, Kansas City, chairman.

11:15 a. m.—Address: Conservation Pays Big Dividends, John J. Hall, National Conservation Bureau, New York City.

12:15 p. m.—Joint buffet luncheon. Complimentary, Hutchinson Insurance Board, host. Agents, visiting ladies, company representatives, and guests.

#### Afternoon Session

Discussion: Robert D. Voss, Omaha, "HOLC and SCA Set-up."

Address: Wade Petzer, Jr., Chicago, member executive committee, National Association of Insurance Agents.

Address: Prof. E. L. Harshbarger, Bethel College, "The European War and American Policy."

Address: Commissioner C. F. Hobbs, of Kansas.

#### Pertinent Pointers:

"Streamlined Automobile Policy."

"Capital Stock vs. Non-Stock. Policies and Forms."

"1941 Farm Insurance."

"The Up-to-Date Bond."

Several short talks on various pertinent subjects by qualified individuals such as: Walter Heaney, chief underwriter Hartford Accident, Kansas City, Mo.; Baxter C. Brown, branch manager, Fidelity & Deposit, Kansas City, Mo.; Alex Case, national councillor for Kansas, and others.

Report of resolutions committee.

Report of nominating committee.

Election.

#### Convention Committees

D. R. Lowe of the Wade Patton agency, Hutchinson, is program chairman. Reuben Miller of the same agency is general chairman, other sub-committees including: "Location," N. N. Kline; "Transportation," Chas. Sherman; "Golf," Chas. Long; "Meals," W. W. Webster; "Smoker," John Brehm; "Registration," Denzil Lowe; "Hotel," A. L. Blickenstaff; "Publications," Ed Fraley; and "Finance," Byron Astle.

Gathering Monday night, the 7th, the executive committee will meet for two full days in advance lining up policies and last minute details and will be at leisure to attend the business and entertainment features of the two day convention, the main program of which is confined to Thursday Oct. 10.

New features will be numerous. The annual complimentary banquet for past presidents, the executive committee and honorary life members Wednesday night will be open to everyone desiring a ticket. The insurance women's breakfast Thursday morning, complimentary by the Hutchinson Board with Dorothy Jane Reeder of the J. N. Bailey Agency as chairman, will also be open to wives of those registered. It is thought that this meeting will result in the Hutchinson insurance women organizing a local group. In lieu of reading the lengthy annual reports of the president and secretary, Bert Mitchner, Hutchinson, a past president, will act as "Commentator" and touch the high spots of the busy year and printed reports will later be distributed.

**Officers Held Not in Contempt**  
LINCOLN, NEB. — District Judge Shepherd denied the demand of the insurance department that it punish G. G. Patton, president, and A. S. Johnston, attorney First American, for contempt of an order that they turn over, as custodian, notes held by the Capital Finance Company, an affiliated corporation. The department claimed they were in contempt of the court order that they hand these notes to the department, acting as liquidator of the insurance company. The court said that a motion for new trial had not been acted on when the motion was made.

#### Receives Complaint of Timmers

DES MOINES—The Iowa department has received a complaint on the renewed activity of R. B. Timmers in the Cedar Rapids area who is reported to have been hired by an implement company as a counselor. Timmers is facing a suit due to similar activities in Burlington which resulted in the Lago-Grupe company there cancelling an excess-coverage policy which was in violation of the Iowa statutes. The company has instituted a suit to recover funds paid by the firm to Timmers. Timmers was reported to have recommended that the company purchase an excess-coverage policy with firms not licensed in the state and then bought the basic coverage through local agents.

#### New Short Rate Table Out Soon

DES MOINES—A new short rate table more favorable for the insured is being worked out by the Iowa department along with a study of similar tables of other states. Commissioner Fischer announced during the recent convention of the Iowa Association of Insurance Agents that a new table would be worked out. The present table has been criticised by insurance men for some time. It has been in effect for some 20 years.

It is expected that the new table, for both fire and casualty lines, will be ready within 30 days.

#### Mutual Underwriters in Ohio

The Home Mutual Fire of Binghamton, N. Y., and Utica Mutual Fire of Utica, N. Y., have announced an "Underwriters" policy for Ohio. It will be issued on the same rates as are now on file by each company.

#### Prepare for Illinois Meeting

The return of the executive officers from the annual meeting of the National Association of Insurance Agents at Buffalo signals the beginning of intensive activity in connection with the annual

meeting of the Illinois Association of Insurance Agents Oct. 24-25 at Rockford. A call has gone out this week to the directors for a meeting to be held Oct. 23, and a special luncheon has been planned on Oct. 24 for the past presidents and national councillors of the Illinois association.

#### Sioux City Agents Elect

SIoux CITY, IA.—New officers elected at the first regular meeting of the Sioux City Fire & Casualty Underwriters Association were: President, Gilbert Guiney, Peters-Guiney Agency; Vice-president, Joe O'Donnell, J. M. Lynch agency; Secretary-treasurer, Rhea Auman, Groszkruker Realty Company.

The executive committee is headed by Wm. F. Grandy, Jr., retiring president and J. W. Wooldridge and Henry Wilson.

#### Detroit Agents Rent Office

DETROIT—Renting of a suite of executive offices for the Detroit Association of Insurance Agents, the new secretary-manager, Elmer Salzman, and his staff, was agreed upon at a meeting of officers. A suite in the Detroit Bank building was leased to be ready for occupancy Oct. 1. Mr. Salzman has been occupying temporary quarters in the U. S. F. & G. building.

#### Wichita Insurers Hear Neilsen

W. B. Neilsen of Friends University, formerly of Denmark, who was in Copenhagen with his family at the time of the German invasion, was guest speaker at the September meeting of the Wichita Insurers. He told of his experiences in reaching the United States. Vice-president Earl Woodward presided in the absence of V. G. Henry, president, who was attending the National Convention of Insurance Agents. Guests included C. E. Stiehl, Topeka, state agent London & Lancashire; Louis Gerties, secretary Wichita Board of Education, and H. A. Berry, American Appraisal Co.

#### Ohio Group Postpones Meeting

Because of the convention of the Ohio Association of Insurance Agents in Cleveland, the Ohio Stock Fire Insurance Speakers Association will not meet until Oct. 7. A skit, "Vital Facts on Forms and Coverages, Presentation No. 1," will be put on by K. J. Hoag, Fireman's Fund, J. D. Lecky, Jr., Royal Exchange, T. A. MacLean, National Union, and T. J. Ocacek, Underwriters Service.

#### Bay City, Mich., Agents Meet

BAY CITY, MICH.—George Stone, state agent Home of New York and Wade Smith, insurance instructor at Detroit Institute of Technology, both of Detroit, addressed the Bay City Association of Insurance Agents at the fall meeting, stressing the opportunities of agents for public service.

#### NEWS BRIEFS

The Prince-Joy Agency, Stillwater, Minn., one of the oldest in Minnesota, had an interesting window display in connection with the seventh annual Lumberjack Days celebration at Stillwater. The display included several insurance forms and policies dating back 50 to 75 years and attracted wide attention.

The Sioux City, Ia., Insurance Women's Association held its first meeting of the season this month. The membership is divided into four groups and each group is sponsoring the editing of its bulletin for three months. Motion pictures of Europe were shown by Ryal Miller.

H. K. Rogers will be the principal speaker at the fire inspection to be held

at Storm Lake, Ia., Oct. 23, and will talk before service clubs in Rock Rapids, Ia., Oct. 21. G. R. Whaley, Iowa State Underwriters, will address the Kiwanis club of Missouri Valley, Ia., Oct. 8 on fire prevention, and a fire prevention meeting will be held at Ottumwa Oct. 14, with many Iowa fieldmen attending.

A Willkie-Stassen insurance club is being formed in Minnesota to boost Willkie for president and Governor Stassen for reelection.

The Trager-Bailey Agency, of Lansing, Mich., is to be moved Oct. 1 to 307 Capitol Savings & Loan building. Carl Trager, the firm head, stated the firm name is being changed to Trager Agency, Inc., with no change in the corporate set-up.

Wesley Barnes, assistant manager Des Moines office U. S. F. & G., will be the principal speaker at the October meeting of the Des Moines Insurance Women's Association, Oct. 9.

The Ohio field clubs will hold their meetings in Columbus on Oct. 8 and Nov. 12.

W. L. Friedman, Underwriters Service Association, has been appointed chairman speakers' committee Michigan Fire Underwriters Association by R. J. Price, New York Underwriters, president.

An inspection will be held at Cloquet, Minn., Oct. 2 under the auspices of the Minnesota Fire Prevention association.

The Insurance Women of Wichita voted to affiliate with the National association with 57 members. Mrs. Helen Compton, Kessler-Henry Agency, is president. The opening fall evening meeting was held last week.

E. P. Janousek, Kansas state agent Security group, who recently moved his headquarters from McPherson to Wichita, has taken offices at 200 Central building, adjacent to the Dulaney, Johnston & Priest agency.

Cecil McGee, special agent National of Hartford, has been transferred from Missouri to Kansas and will have offices in Topeka with W. L. Gardner state agent in the New England building.

### Home Market For Excess Covers Is Developing

A number of the larger American companies these days are being offered catastrophe excess covers by smaller institutions. Heretofore about the only market for such business has been London Lloyds and within the past two or three years a group of American companies operating through the Excess Management Association. Now there are indications that the market is being broadened. A few of the very large companies have written such covers on their own account and have retained the entire liability without passing off the top stratum to Lloyds.

What has retarded the development of such a market in the United States has been the theory that there is not enough such business available in one country to make a book; that it is essentially an international type of business; that an American company would be so involved on account of its own direct business in a conflagration that it might be embarrassed if called upon as well to relieve other companies at the same time of their peak losses. Under present world conditions, however, that theory appears to be undergoing revision and some of the companies are seeking a home market and some of the largest companies appear to be willing to provide such a market on a conservative basis.



## IN THE SOUTHERN STATES

### Changes Made in Texas Fire Schedules and Rates

AUSTIN, TEX. — Many changes in the Texas general basis schedules and rates and rules for fire insurance have been ordered by the insurance board following a general hearing earlier in the year. The changes became effective Sept. 20.

Most substantial reductions were in rates on grain. Threshed grain while on the farm in separate granary occupied exclusively as such has been given a rate of 90 cents on owner occupancy and 95 cents on tenant occupancy. A rate of 15 cents was applied to threshed grain on farm while in all-metal tanks not in or attached to any building. The tenant occupancy rate was set at 20 cents. All rates apply to \$100 valuation per year. The previous rate for grain of all kinds was \$2.10 owner occupancy and \$2.15 tenant occupancy.

Reduced windstorm rates provided for flour mills and grain elevators amounted to approximately 40 percent inland and 55 percent seacoast. A reduction of 18 percent was ordered on mill constructed risks in seacoast territory.

### Ky. Agents and Field Men Work for Fire Prevention

LOUISVILLE—The Kentucky Association of Insurance Agents, cooperating with the Kentucky Fire Underwriters Association, has outlined a rather large program for National Fire Prevention Week, the program calling for observation in thirty cities of the state with the local agents in each of the communities working with one or more field men assigned to such community.

F. R. Macpherson, president Fire Prevention Association, and E. A. Parsons, secretary, have been making extensive plans. C. B. Skinner, Morganfield, Ky., chairman of the fire prevention committee Kentucky Association of Insurance Agents, bulletined the field men and local agents and asked members in every town to get every agent in the community to cooperate and to work with the field men assigned.

### Texas Commissioner Offers Service to War Department

AUSTIN, TEX.—Adoption of fire prevention measures to safeguard temporary construction that will be erected in the national preparedness program was urged by Marvin Hall, Texas fire insurance commissioner, in a letter to Secretary of War Henry Stimson.

Tendering aid of the Texas department, Hall told the war secretary he was at liberty to utilize engineering services available through the department.

Substantial war department construction is in line for Texas. Among other projects, an estimated \$5,000,000 will be spent on the camp near Brownwood for the year's training of the 36th division of the Texas national guard. Virtually all will be temporary construction, with guardsmen to be housed in tent barracks.

Hall said in his letter, in part: "I realize, of course, that every precaution will be taken during the current period of military preparedness, and at this time I want to offer you the full use of every division of the state fire insurance department. Upon your request, all facilities in the engineering division will be placed at the disposal of the branch of service assigned the task of superintending construction in Texas."

### Goodpaster Takes Action to Stop Policy Coercion

Insurance Director Goodpaster of Kentucky initiated a movement to break up the practice of some building and loan associations, banks and finance companies of using undue pressure on loan clients to induce them to take insurance with a connected agency as a prerequisite to obtaining a loan. He notified all fire and casualty companies operating in the state this practice is clearly in violation of law, and offenders will be cited to show cause why their licenses should not be revoked.

In another order addressed to fire and casualty companies, Goodpaster said he would refuse a resident agent's license to any Kentucky insurance firm, the majority of whose capital stock is owned or controlled by an out-of-state corporation or by residents of another state. This same ruling is to apply to a resident member of a partnership whose majority members live outside Kentucky.

In a third ruling, he said he would consider "any reduction in the percentage of commissions to agents in the promulgation of individual rates" a violation of state law unless such reduction is a "uniform and established policy" of the company.

### Tenn. Department Issues Warning

NASHVILLE, TENN.—More than 3,000 Tennessee agents, according to M. D. King, manager state insurance department licensing division, have as yet to file the new qualification affidavit first mailed out by the department more than six months ago. During this period employees of the licensing division have worked constantly on the 5,000 affidavits that have been sent in. For one reason or another ten percent of those examined have been held up as not satisfactory without investigation. The department has two full-time investigators following up the qualifica-

tions of agents whose affidavits are being held up. Cancellations, mainly due to "controlled" business or other business relations that make it impossible for the agent in question to render adequate service to policyholders.

Manager King plans to mail one more appeal to each agent failing to file a qualifying affidavit with the ultimatum that positively no agent's license will be renewed who fails to file one. The deadline for this will be January 1, 1941.

### Dallas Insurance Women Meet

The opening meeting of the Insurance Women's Club of Dallas was held with Miss Gussye Bennett, president, presiding. Plans for the year were discussed. New officers of the organization in addition to Miss Bennett are Miss Dorothy Sims, first vice-president; Miss Novelle Snow, second vice-president;

Miss Gladys Andrews, recording secretary; Miss Emma Bounds, corresponding secretary, and Mrs. Tress Patterson, treasurer.

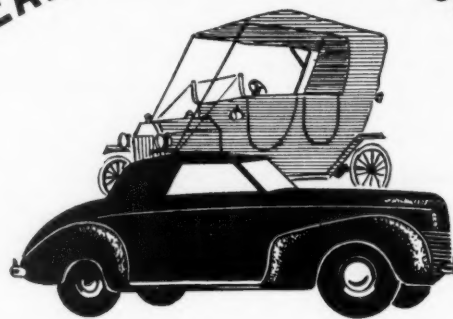
### Plan to Study Blitzkrieg Defense

PONCA CITY, OKLA.—To complete a well rounded defense program, firemen must be ready to combat the modern air blitzkrieg, according to J. R. Pence, fire chief. He is taking up with Washington officials a proposal that a group of 25 firemen be sent to London to study the methods they are using in time of war.

### Renew \$575,000 School Cover

Arrangements for renewal of \$575,333 of fire insurance on Mobile, Ala., county schools were made by the school board, the W. K. P. Wilson & Son agency to be given 10 percent of the business, in

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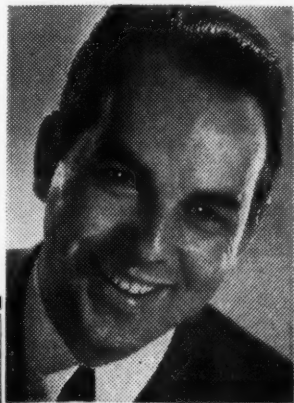
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lieu of services given the board last year when it provided a property survey that brought about premium reductions. The remaining 90 percent is to be apportioned among other agents in the schedule, whose policies expire Oct. 1.

**Hearing on Adjustment Charges**

NASHVILLE, TENN.—After a five-day hearing on charges that I. L. Lackey, operating the Insurance Adjustment Bureau, has advertised for and solicited claims of uncollected insurance and illegally collected premiums which were given to his brother, Joseph L. Lackey, for court prosecution and collection, a grievance committee of the Nashville Bar Association claims to have sufficient evidence to secure the disbarment of the latter and will submit their findings to the association after the Lackeys are given ample opportunity for rebuttal. Local insurance investigators are cooperating with the bar association.

**Trezevant & Cochran Changes**

C. O. N. Bryan, who has for 35 years been associated with Trezevant & Cochran, Dallas, as office manager and then in the field as special agent, become adjuster for that agency in Arkansas. R. A. Allison, special agent, Wichita Falls, Tex., has been transferred to Little Rock, where he will henceforth act as special agent in that state. Mr. Allison has traveled in this field before. Both men will occupy offices in the Union National Bank Building, Little Rock.

**Atlanta Woman's Club Meets**

The Atlanta, Ga., Insurance Woman's Club has inaugurated its annual study course, meeting each Monday night until June 1 in the office of the Atlanta Gas Light Company. The initial lecture was delivered Sept. 16 by Southern Manager R. W. Michael of the Fireman's Fund on the "Standard Fire Policy." Don A. Bolton, with Haas & Dodd, is dean of the course. Lou Ward, of the R. F. Maddox, Jr., agency, is president of the club made up of women employees of agents who are members of the Atlanta Association of Insurance Agents.

**Insurance Women Resume**

The Insurance Women's Club of Oklahoma City opened its season at a meeting with Mrs. Edna Sue Simpson in the chair for the first time. Other new officers are Annette Jeffers and Elizabeth Forline, vice-presidents; Jeanetta Thorne, secretary; Wanda Lee Ketchum, treasurer; and Odessa Swingle, reporter.

**Underwriters Meet Oct. 22-23**

The midyear meeting of the Oklahoma Fire Underwriters Association has been set for Oct. 22-23, at Twin Hills Golf & Country club, Oklahoma City.

**Mashburn Temporarily Continues**

Leland Booth was reelected secretary-treasurer of the Oklahoma City Insurers Exchange and Lewis Miller, vice-president. E. V. Mashburn was reelected president but because of pressure of other interests asked to be excused from serving. However, he agreed to continue as president pending the return to the city of E. W. Clarke, nominating chairman, when a new president will be elected. The new governing board includes Lewis Lacy, Jack Rone, Clare Williams and M. L. Sumner.

**Fire Prevention Week Plans**

With the approach of annual Fire Prevention and Safety Week, Oct. 7-12, plans for observance in Oklahoma are crystallizing into a state wide program. Numerous requests are being received by the Oklahoma Fire Prevention Association for speakers and literature. Secretary J. N. Jones announced. The plan is for one field man to have charge of each county and to assist local fire departments and authorities in arrang-

ing programs, securing speakers and arousing general interest.

**Conducts Watermelon Contest**

KINGSPORT, TENN.—Bennett & Edwards, general insurance agency, gave cash prizes for the four best guesses as to the number of seeds in a watermelon on display at their office. Several hundred people filled out contest entry blanks and dropped them in the guessing box. The melon weighed 108 pounds and at the close of the contest was cut into small slices and distributed to those present.

**NEWS BRIEFS**

J. J. Underwood, Sr. has become associated with his son, J. J. Underwood, Jr., in Underwood Insurance Service, Columbia, Tenn. agency.

Julian Rutherford, Jr., who is connected with the Rutherford local agency, Roanoke, Va., and Miss Mary Stone Moore of that city were married.

The Texas insurance board has announced a reduction on fire insurance rates on grain, flour mills and grain elevators effective immediately. The reduction amounted to 15-18 percent.

W. C. Vaughan has moved the Vaughan Insurance Agency, Louisville, to larger quarters in the Starks building, and has enlarged his office organization.

The Jordan Insurance Agency, Sylacauga, Ala., celebrated its 30th anniversary. It was founded by J. E. Jordan, who in 1936 was joined by his son, J. E., Jr.

Louis Jervey, secretary America Fore group with supervision over southern territory, spent several days in Richmond, Va., renewing old acquaintances. He formerly supervised companies in that group in Virginia.

The National Board will begin an inspection of Knoxville, Tenn., Oct. 1 to see if a reduction in fire insurance rates is justified, according to announcement of C. G. Miller, manager of the Tennessee Inspection Bureau. City Manager W. W. Mynatt points out that since the last inspection in 1934 the city has spent \$90,000 for new fire fighting equipment and to modernize old equipment.

John M. Coleman, formerly with the L. W. Gosling & Co. agency, has opened a local agency at 415 Maverick building, San Antonio.

**COAST**

**Urge Enforcement of the Credit Rule**

SAN FRANCISCO—After months of discussion pro and con the Pacific Board is trying out a new routine for enforcement of its credit rule, which many companies say has been more or less abused for a number of years.

At the annual meeting, company representatives complained that other member companies were neglecting to abide by the rule which requires that all delinquent agencies must be reported to the board. They insisted that some action be taken to more effectively enforce this regulation and a plan was tentatively adopted. Later, it became obvious to some companies that to carry out this proposal fully it would probably mean additional expense to the board to the extent that the company members might be called upon for additional assessments and from that point on there were a number of discussions and conferences.

A few weeks ago it was determined that a trial balloon would be sent out by selecting at random a number of delinquent agencies reported by some companies. These agencies are to be checked as to what companies are represented and this list would then be checked with the companies reporting the violations. If it is found that one or more of the



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companies represented did fail to report the agency as delinquent, further action would be taken with the possibility of such company or companies being fined, and where it is found that an agent has not remitted to all companies represented he will be suspended.

Instead of anything new being added to the old credit rule the new plan simply means a more definite and determined effort to bring about its observance.

#### Pacific Board Rule

The Pacific Board credit rule, which has been the subject of conversations, arguments and discussions for many years with intensified attention this year, reads in part as follows: 1—The premium on every policy, certificate or binder issued, is due and payable on the date on which it takes effect, but must be paid to the company, its manager or general agent, by the agent, financing organization, if any, or the assured, not later than the 15th day of the second month following that in which the policy, certificate or binder (or endorsement bearing an additional premium) takes effect.

Paragraph 6 says:

"Each member prior to the twenty-first day of each month shall notify every agent who has failed to remit as above provided, that his account is not paid and immediately after the last day of each month every member shall report to the board the name of every delinquent agent whose account then due has not been paid."

It is this provision that brought about all the trouble. Some companies claimed that other companies, by failing to report the delinquent agent, won the agent's favor to the disadvantage of the other company and as a result, the agent favored the un-reporting company in new business and remittances.

The check up now being made is expected to have a salutary effect upon all the member companies of the board as no member knows who will be found in what agency—due to the method of selecting the agencies to be checked at random from the ever growing list.

#### Oregon Restoration Fund Is Found Inadequate by Agents

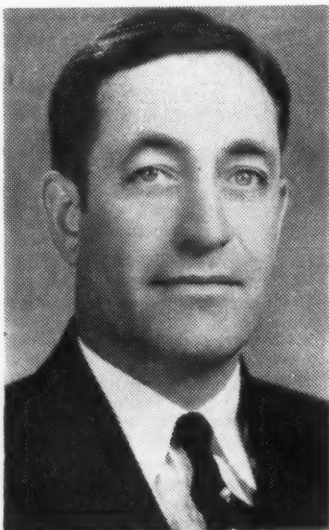
Value of Oregon state property totals \$36,811,870 according to D. J. Fry, secretary board of control, whereas the state restoration fund, out of which is supposed to come funds to replace properties damaged or destroyed by fire under a self-insurance plan, is only \$168,115. Each year the various state departments contribute a pro rata share of the annual total of \$50,000 which goes into the fund. In the first six months of 1940 the state incurred \$64,471 losses and gained \$8,445 interests and profits on investments.

Particularly since the disastrous fire of several years ago when the state capitol building was totally destroyed with a loss of millions, and only a few hundred thousand in the restoration fund, insurance men have tried several plans to induce legislation to abandon or revise the fund set-up, but so far without success. At the last session of the legislature an effort was made to clear the way for purchase by the state of excess insurance which would protect against such catastrophes as the capitol fire, after the restoration fund had been exhausted. This, likewise, was turned down. The tax-paying agents, however, still are hopeful that proper and adequate insurance protection will some day take the place of the present arrangement.

#### Proper Selling and Coverage Great Help in Adjusting

Proper coverage and proper selling of insurance is of vital importance, H. J. Boyle, general manager, Pacific Coast offices Fire Companies Adjustment Bureau, told members of the Fire Underwriters Forum at a luncheon meeting. He traced development of adjusting

## New President



PETER YEGEN, JR.

Peter Yegen, Jr., well known local agent at Billings, Mont., who conducts his business under his own name, recently elected president of the Montana State Association of Insurance Agents, served as vice-president under the previous administration. He has been active in the state body for some time.

losses from the old days when special agents took care of this work to the present company operated bureaus which, he said, are the result of the companies' desire to bring about uniformity and control their losses.

Many adjusting problems are due to improper coverage and sale of the wrong contract, he said. Overselling, lack of proper explanation of the policy and over-zealousness on the part of the agent, broker or solicitor is responsible for many problems arising in adjustment.

The bureau's Pacific coast offices handled 70,000 losses, Mr. Boyle said. This figure should be multiplied at least five times in computing contact values, he said, because dissatisfied policyholders can be depended upon to tell at least five persons of their experiences. He said his office has reduced loss adjustment costs 42.5 percent and has returned more than \$163,000 to the companies.

#### Hold Insurance Day at Fair

About 30,000 representatives of the insurance business and their friends participated in a special "Insurance Day" at the San Francisco fair. Practically all insurance offices in San Francisco and Oakland, fire, life and casualty; brokers and agents, closed at noon. More than 150 members of Insurance Post of American Legion took part in a parade to the fair and the post was host at a refreshment rally. C. S. Sinclair of the post, assisted by Willis Ullrich, past commander, made the arrangements. Del Bowley, Insurance Brokers Exchange, arranged for the fraternal groups. F. M. Hohwiesner, president National Association of Insurance Brokers, was general chairman.

#### Women Hold Educational Rallies

The Insurance Women's Association of Portland, Ore., is holding weekly educational classes Wednesdays for members only. The first meeting was conducted by G. W. Haerle, office manager Charles W. Sexton Company, national councillor Oregon Insurance Agents Association. He spoke on the personal property floater. V. R. Taylor, partner in the H. C. Pownall agency, discussed malpractice liability and hospital and druggists liability coverages in another meeting, and there

was a discussion of questions and answers. C. Reed, Harvey Wells-Reed agency, discussed aviation insurance. The speaker for a meeting Oct. 2 is Wayland Dunham, of the Swett & Crawford fire department. As a means of helping to finance the northwest area convention of Insurance Women's Associations to be held in Portland next spring, the Portland association has undertaken to sell scrip for theater admissions. The annual dance will be held this year at the Portland Golf Club.

#### Great Log Raft Causes Loss

An unusual hazard of the sea which occasioned large loss to underwriters occurred when a huge raft of logs being towed from Astoria, Ore., to San Diego, Cal., burst into flames through friction of chains which held it together. The cigar-shaped raft contained 11,000,000 feet of logs, and was 1,100 feet in length, prepared with heavy chains to make it seaworthy for its 1,000 mile voyage. About a 30 percent loss from the total value of upwards from \$75,000 resulted from the fire which occurred soon after the raft in tow of a tug left Astoria. The tug, after the fire was extinguished, continued on its way.

#### Committee Chairmen Named

SALT LAKE CITY—The Fire & Casualty Insurers Association has named its list of standing committees with the following chairmen: Membership, J. A. Rogers; program, L. J. Brennan; nominations, E. D. Amott; publicity, E. F. Folland; grievance, F. M. Whitney. Under a recent amendment to the association's constitution and by-laws, the chairmen named, along with the president, W. M. Anderson, vice-president, R. M. Jennings, and secretary-treasurer, A. E. Burgener, constitute the association's executive committee.

#### Pierce & Sibert Postponement

LOS ANGELES—Another postponement has been made in the suit of Pierce & Sibert, against the Pacific Board and its member companies and Cosgrove & Co., this time to Oct. 3.

#### Lumber Mutuals Coast Office

LOS ANGELES—A. F. Muentner, manager Pacific department Lumber Mutuals, has opened a southern California department office here. Miss Grace Reid, formerly head underwriter Los Angeles office Central Manufacturers Mutual, has been placed in charge.

#### Los Angeles Women Gather

LOS ANGELES—Members of the Insurance Girls Service Club of Los Angeles held the initial meeting of the year with 110 present. After a fashion show a contest for a pair of season tickets for the University of Southern California football games was held. F. C. Hutchinson, marine superintendent Pacific National Fire, Los Angeles, had the lucky number.

A report, made by Eugenie Smith, vice-president National Association of Insurance Women, on the association's convention at Denver this summer, showed that the local club leads all others in membership with 500, the nearest competitor being Denver with 187.

#### Lamping Republican's Choice

When all votes for nomination to the office of commissioner were counted after Washington's primary election, G. B. Lamping, Seattle insurance executive, held the Republican nomination. W. A. Sullivan, incumbent, was the Democratic nominee. Mr. Lamping's nomination was closely contested by F. C. Becker, Seattle insurance man.

#### Club Changes Representation

SEATTLE, WASH.—The Automobile Club of Washington has made an important change in its insurance division. It has been representing the

Lumbermen's Mutual Casualty, a member of the Kemper group, which has been replaced with Employers' Mutual Casualty of Iowa.

#### Blanket Club Starts Season

SEATTLE—The Seattle Blanket Club held its first fall meeting with President Keith Fisk leading open forum.

#### Supervisory Meeting Oct. 16-18

The Rocky Mountain supervisory committee, composed of members of the Pacific Board and Western Underwriters Association, will meet at Denver, Oct. 16-18. W. N. Achenbach, western manager Aetna Fire, is chairman.

#### NEWS BRIEFS

George P. Williams, assistant Pacific Coast manager, Washington group, was a visitor in Portland, Ore.

A. J. Snow, assistant manager, and W. F. White, engineer, of the Oregon Insurance Rating Bureau, returned from a salmon fishing expedition to Astoria at the mouth of the Columbia River with a day's limit (3 each) of the big fish.

Freda L. Goeke, president newly organized Insurance Girls Club of Evansville, Ind., and Clara N. Wiggers of the club, were entertained during the past week by the officers of the Insurance Girls Service Club of Los Angeles.

R. E. Duniway, Oregon agency supervisor Merchants Fire, will be in the lists when voters elect representatives for the Oregon House Nov. 4. He won a republican nomination as candidate to the house from Multnomah county in the primaries.

The first class to graduate from the new training school of the Los Angeles fire department, composed of 41 members, yesterday gave a demonstration of fire fighting and rescue work, following which they were assigned to duty at various fire stations. J. C. Cairns, special agent, Hartford Accident, president Los Angeles city board of fire commissioners, presented the diplomas.

## EAST

#### Large Attendance Expected at Pennsylvania Convention

PITTSBURGH—Every indication points to a large attendance at the annual Convention of the Pennsylvania Association of Insurance Agents, to be held at the Hotel Roosevelt, here, Oct. 3-4. The advance reservations and registrations compare most favorable with other record-breaking years.

The hostess for the ladies, Mrs. C. A. Reid, will be in charge of suitable entertainment.

The program for the banquet, Oct. 3, includes the Pioneer KDKA Quartet under the direction of Aneurin Bodycombe. The Pioneer Quartet and the Kinder Sisters will blend their voices for some of the numbers and several duets featuring the piano and organ will be rendered.

There will also be a brief act by the Television Kids, who have a wide following for their comedy sketches.

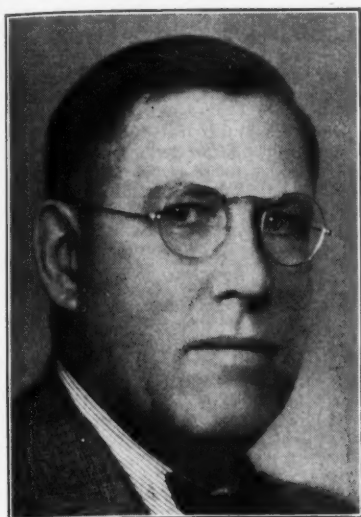
#### McQuiston Heads Erie Agents

I. D. McQuiston was elected president of the Erie, Pa., Association of Insurance Agents. Other officers are: J. W. Harper, vice-president; H. L. James, secretary and Ralph Bloomstine, treasurer.

#### Massachusetts Women Organizing

BOSTON—The Massachusetts Association of Insurance Women completed their drafts for a constitution and by laws in Boston and issued a call for the first regular meeting at Worcester Oct. 8, during the state convention of the

## New Chairman



RUSSELL M. L. CARSON

R. M. L. Carson of Glens Falls, N. Y., former president New York State Association of Local Agents, and its national councillor, has been elected chairman of the eastern conference of councillors succeeding E. J. Cole of Fall River, Mass., who declined to serve longer.

Massachusetts Association of Insurance Agents. About 40 women have been enrolled by Mrs. Mildred C. Dempsey, Lynn, president, and the membership is expected to be largely increased at the October meeting.

### Plan Massachusetts Short Course

BOSTON—The Massachusetts Association of Insurance Agents is planning to institute a short course school of training to be held at some educational institution in the state, beginning about June 1941. A poll of the membership will be taken to determine whether the long or short course is preferred.

### Will Honor L. L. Saunders

The New York Insurance Federation in connection with its annual dinner and convention at Albany, Oct. 4-5 will feature Executive Secretary L. L. Saunders of that city in view of his excellent work for the organization. As a tribute the executive committee has decided to make a proposal to a limited group requesting their cooperation in getting one new member each in not less than the \$2 class to present to Mr. Saunders at the banquet. Floyd N. Dull, Continental Casualty, New York City, is chairman of the executive committee. J. F. Ackerman of Binghamton is president of the federation.

### Watson to Direct Course

NEWARK—The advanced fire course which is being sponsored by the New Jersey Association of Underwriters at the University of Newark will be directed by Leon A. Watson, expert

Schedule Rating Office of New Jersey. His assistants will include L. E. Kietzman, assistant secretary American of Newark, and G. L. Swan, electrical engineer National Board.

### Boston Courses Deferred

BOSTON—Librarian D. N. Handy of the Insurance Library Association of Boston announced that owing to uncertainties attendant upon the draft, it was decided to defer opening the evening classes conducted by the association. It is planned to start the casualty and suretyship classes Oct. 15, and the general principles and inland marine classes Oct. 18.

### NEWS BRIEFS

T. E. Sears, Jr., associated with his father in the insurance firm of Thomas E. Sears, Inc., Boston, was married to Miss Jean Bullinger of Boston.

The Allaire & Son agency, Red Bank, N. J., will celebrate its 68th anniversary

Nov. 16. Hubert M. Farrow, president of the New Jersey Association of Underwriters, is now head of the agency.

Producers in the Quincy, Weymouth, Braintree and nearby South Shore towns will hold a meeting in Quincy, Mass., Sept. 30 to consider forming a local board for the district. Representatives of the Massachusetts Association of Insurance Agents have been active in the territory.

W. J. Dite was elected president of the Hudson County, N. J., Insurance Agents' Association. Other officers elected are as follows: vice-presidents, C. S. Burke, Jersey City; I. C. Johnson, Bayonne; George Borgas, West Hudson; Rudolph Spinette, Hoboken; treasurer, John Rosamond; secretary, Mrs. C. B. Nolan.

A. W. Hollis, of the Boston agency of Hollis, Perrin & Kirkpatrick, who has served seven terms of two years each in the Massachusetts legislature, won the Republican nomination for his eighth term as state senator in the recent primaries.

## IN THE CANADIAN FIELD

### Program Is Announced for Ontario Agents Meeting

TORONTO—Plans have been completed for the twentieth annual convention of the Ontario Fire & Casualty Insurance Agents' Association here Oct. 17-18. There will be a luncheon, banquet and floor show the first day, the luncheon speaker to be M. G. O'Leary, editor Ottawa "Journal," who will discuss the European situation. Friday, the luncheon speaker will be T. A. Fleming, supervisor conservation department of National Board, who will discuss "Relation of Insurance to Credit."

Besides the usual speakers and officers who will talk at business sessions, other guest speakers include W. J. Scott, fire marshal of Ontario; J. P. Bickell, registrar of motor vehicles for Ontario; Superintendent McNairn of Ontario, and A. W. Rogers, agency officer of the insurance department.

Two subjects to be considered prominently in business sessions are the new 60-day reporting and the new trust accounts which must be opened next year by Ontario agents.

### Canadian Agent Predicts Joint Defense of System

TORONTO—Agents' associations in the United States and Canada will become international associations for the defense of the agency systems in both countries, stated S. O. Mason, president Ontario Fire & Casualty Insurance Agents Association, to a representative group from the recent Buffalo convention of the National Association of Insurance Agents who visited Canada during the convention week.

The Niagara District (Ontario) Fire & Casualty Insurance Agents' Association, invited delegates to the Buffalo convention to attend the annual golf tournament at Lookout Point Golf Club, and a large number took part in the tournament and dinner. Mr. Mason presented a Canadian flag to S. O. Smith, retiring president National association, as a token of friendship and esteem from the Ontario agents.

### Winnipeg Institute Elects; Stalling Is Guest Speaker

WINNIPEG—R. L. Stalling, Canadian manager of the Sun, was guest speaker at the annual meeting of the Insurance Institute of Winnipeg. The Harrison memorial scholarship in the fire branch was awarded to W. J. Miller, Northern Assurance, and the casualty scholarship to Miss Margaret E. Scott, Grain Insurance & Guarantee.

New officers elected are: President, J. J. Milne, Royal Exchange; vice-president, D. B. Murray, Pool Insurance; secretary, G. E. Budden, Western Canada Underwriters Association; treasurer, C. R. Francis, Canadian Fire.

Council members are: H. P. Ham, British America; H. A. Roberts, Grain Insurance & Guarantee; N. C. Woodcock, Caledonian; T. G. Cox, Canadian Surety; L. L. Lewis, North America; A. C. Ruby, Eagle Star; L. S. Watson, Canadian Fire.

Guests included C. S. Malcolm, Montreal, Canadian manager Royal Exchange; J. H. Riddel, Toronto, Canadian manager Eagle Star; H. A. Joselin, Toronto, Canadian manager New York Underwriters; A. Leslie Ham, Montreal, manager Canadian Underwriters Association; D. M. Dewar, Toronto, casualty manager Sun group; R. L. Jones, Toronto, Canadian Underwriters Association, and C. N. Henderson, Moose Jaw, general agent.

### Knight Joins Royal Office

A. S. Knight of the Royal, with his wife and two sons arrived in Vancouver from Europe where they will stay for the duration of the war. They have resided in Oslo, Norway, for a number of years. Mr. Knight has joined the staff of the Vancouver branch office of Royal.

### Heasman with Aetna Fire

T. L. Heasman has been appointed special agent in Toronto and district for the Aetna Fire. He formerly was with the Canadian Underwriters Association.

### Report Craig Makes Change

TORONTO—It is reported that John M. Craig has left the Springfield Fire & Marine to go with the Central Manufacturers Mutual in Toronto. He formerly was with the Niagara Fire in Montreal.

### Canadian Superintendents Meet

WINNIPEG—The Association of Superintendents of Insurance of the Provinces of Canada held an executive session here with H. D. McNairn, president, explaining the regular open conference which had been planned to meet in Saskatoon but was canceled on account of the war. The session dealt mainly with matters which did not require open discussion.

### Contribute to Canadian War Loan

TORONTO—Other companies in Canada which have contributed substantially to Canada's second war loan, along with those reported in these columns last week, include: Manufacturers Life \$2,250,000, Excelsior Life \$600,000, Gore

District Mutual \$125,000, Independent Order of Foresters \$120,000, Royal group \$115,000, Continental Casualty \$106,000, Phoenix of London \$100,000, Zurich \$100,000, Waterloo Mutual \$100,000, Economical Fire \$100,000, Commercial Union \$100,000, London & Lancashire \$100,000, Dominion of Canada General \$100,000.

### Mackay to Succeed Patterson

TORONTO—T. E. Patterson, with the Royal-Liverpool groups for 46 years, and branch manager at Halifax for 18 years, retires at the end of September. A. E. Mackay, in the service of the groups for 26 years, and assistant branch manager at Halifax for the past seven years, succeeds Mr. Patterson as manager on Oct. 1. H. Churchill-Smith continues as assistant manager.

## MARINE

### Scuttling Nullifies Risk in Case Against Lloyds

MONTREAL—Scuttling a ship nullifies marine and war risk, according to a ruling of the British House of Lords, received by the Montreal Shipping Co. from its correspondents in London.

At the beginning of the war, a considerable amount of cargo was carried in German ships, many of which were either captured, sunk or scuttled by their crews. A similar situation developed when Italy entered the war. This judgment was given on a test case brought against Lloyds by a number of shippers who had suffered damage when their cargo was held on enemy ships. The ruling is expected to apply to Italian scuttlings, as well as German.

### Gulf and Atlantic Open Inland Marine Department

H. F. Sweeney, manager central department Gulf and Atlantic, Indianapolis, announces the opening of an inland marine department. The general standard lines and forms of policies will be handled with some specials. For the



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present inland marine coverages will be confined to Indiana and Ohio and will be under Mr. Sweeney's supervision. Illinois will probably be added later.

Mr. Sweeney also announces the appointment of C. D. Wilson as superintendent automobile claims central department, succeeding B. H. Gregg, resigned. Mr. Wilson has had twelve years' insurance experience in various states, the past nine years of which have been spent as staff adjuster home office of Gulf.

#### R. M. Sauter Joins Pearl

Rudolph M. Sauter, well known marine underwriter, has been appointed superintendent Cook county inland marine department of the Pearl-American fleet. He started in the insurance business with W. A. Alexander & Co., Chicago, working through the various departments of that organization for a period of five years. He then became associated with the Chicago metropolitan department of the North British & Mercantile and during the past six years devoted all of his time to inland marine, having been particularly active in its underwriting department and in the field.

## MOTOR

### New Automobile Policy Changes N. J. Quiz Problem

C. W. Bean, Kansas City, state agent America Fore group, points out that the change in the standard automobile fire and theft policy affects the answer to one of the questions asked at the New Jersey convention. These questions and answers were shown in THE NATIONAL UNDERWRITER of September 19.

Question No. 10 was "Under a fire and theft policy, if a chauffeur takes the car without the insured's permission and it is never recovered, the insurance carrier is liable for the loss," the answer given at the New Jersey meeting was "false."

The new standard automobile fire and theft policy, Mr. Bean says, eliminates the old exclusion of theft by any person in the assured's household, service or employment. All standard companies have agreed to consider the conditions of the new policy controlling on all losses occurring after the new form was made effective, regardless of the form under which insurance was written. Accordingly, this statement, while true under the old contract, would not be true at present and a loss of this type would be covered in virtually all cases.

#### Says S. C. Auto Fire Rates High

The total number of fires in South Carolina is 180 for 10,000 cars while the national average is 38 per 10,000, pointed out C. S. Patrick, secretary South Carolina State Automobile Association, Columbia. Therefore, the insurance rate in South Carolina is 96 cents to \$3.50 per \$100 as compared with 25 cents to 60 cents in New England, 25 cents to 70 cents in the middle western states and 20 to 50 cents in California. The minimum rate in South Carolina is higher than the minimum rate in North Carolina, he said.

Sheffer-Cunningham, Wichita adjusters announce the return of Dan Hutchinson to their staff which now includes eight adjusters. Mr. Hutchinson had left the firm in January, 1939, to manage the Virgil Hurt Investment Co. of Emporia from which he recently resigned.

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### Agency Operation and Management Discussed

(CONTINUED FROM PAGE 37)

three-year policy basis with premiums of uniform amounts payable semi-annually is also successfully practiced by one who described the plan. This served too, to coordinate better, the policies covering the risks involved.

Much discussion followed an excellent description of the use of surveys by his agency given by R. J. White, Los Angeles. Some agents may use the survey idea simply as a "gag" to get expiration dates, but where surveys are made seriously and intelligent service is rendered, he said that the survey method produces new business and establishes the agency in the confidence of its customers. They represent a lot of work but pay well if done properly.

Insurable property values are arrived at in their surveys by appraisals made by competent outside sources, for which the insured pays. Preliminary findings are sometimes submitted to the insured and the final survey is delivered only when the insured will give the time to have it thoroughly explained to him. Reports of hazard and values on the property surveyed are also sent to the owner of the property where insured is not owner. This has meant more business quite often after several such reports have been received, Mr. White said.

Atwood Jenkins, Richmond, Ind., pointed out that it is important to be sure that changes in the property to secure a lower rate may not actually work to the disadvantage of the insured because of breaking up the risk and requiring more insurance than if carried blanket. He cited actual cases to prove this and also brought out similar other points to be watched.

The intelligent use of surveys was pointed out by several as indication of the great advancement made in the past 15 years in insurance selling methods.

### GROUP NO. 3

The "Million Dollar Round Table" of the fire and casualty insurance business—Group 3—devoted most of its session to branch office competition. H. R. Preston, Springfield, Mass., was chairman and C. I. Fisher, Providence, secretary.

The group was in a militant mood regarding branch offices, although there was general agreement that they were not going to be eliminated. The agents, however, felt such offices should be kept within reasonable bounds and that a cost parity should be enforced. If this could be done, most of the group felt a capable general agency should have no fear in competition. A resolution was passed, calling the attention of the executive committee to this threat and pledging support for all efforts against it. Stuart Ragland, Richmond, Va., H. W. McGee, Los Angeles, W. F. Stanz, Brooklyn, W. J. Welsh, Kansas City, and E. S. Jarvis, secretary New York City agents association, took a prominent part in this discussion.

Every agency represented is inter-

ested in educating its producers and office employees and most of them have gone to considerable trouble and expense to establish a program of one kind or another. Mr. McGee's description of the work of his office and of the courses conducted in Oakland by the California association for office employees aroused much interest and so did the methods of R. A. Duffus, Rochester, N. Y.

Most of the agencies have some type of bonus plan for their producers and many pay extra compensation to their employees. For the producers, this is generally based on the business turned, while salary percentages to employees are common.

#### Mortgage Business

How to secure business placed by mortgagees was on the agenda and there was much interest in anti-coercion statutes. It was generally felt that these laws are not particularly effective, as many mortgagors do not wish to offend money lenders and are afraid to withhold business from them. Even without anti-coercion laws, several agents reported success in stopping financial institutions from forcing the writing of insurance. All agreed that it is important to explain the assured's rights to him and get him to cooperate.

The group also considered how to handle new important coverages which do not cost much, such as the automobile medical payment endorsement. Many offices automatically endorse all existing policies and notify the assured, with about 90 percent of the clients accepting the coverage. Others send out a notice to each assured immediately, suggesting the coverage be ordered, it was felt that waiting until expiration is dangerous, because a competitor may tell the assured about it first.

At the first fall meeting of the Toledo Association of Insurance Agents members discussed changes in the automobile liability policy.

### Agent's Bonding Guide Is Valuable Item for Agent

"The Agent's Bonding Guide," the new book gotten out by the Rough Notes Company and sold by THE NATIONAL UNDERWRITER Company, contains 190 pages, is cloth bound, pocket size. It sells at \$1 per copy with reductions allowed on quantity prices from six up. It has a quick reference guide chart. It can be used in selling and survey making. The book discusses fidelity bonds, banker's blanket, public official, fiduciary, litigants contracts, license and permits, miscellaneous indemnity. It deals with personal surety.

The author, H. F. Gee, intended this book to be used by salesmen writing fire and casualty insurance but who do not know much about the bonding lines. To write bonds the local agent needs a general understanding of bonding principles and practices. He should know the various classes of bonds written and the information that the underwriter must have to pass on the application. The agent can add much to his commission income by writing bonds intelligently.

#### Drop Poor-Paying Customers

In "Accelerator," publication of Boston and Old Colony, agents are advised to make up a list of poor-pay customers, dividing that list under two headings, "Chronic" and "Curable." The former should be left for somebody else to write, as an agent will more than make up for any loss of premium by using the time they cost in developing new, profitable, prompt-pay accounts. The agent should study the list of "Curables" and try to discover why they have check-writer's cramp. He should call on these people and sell them on prompt payment. A prospect should not be put on the list until the agent is sure of the policyholder's ability to pay. Payment should be discussed at the point of sale.

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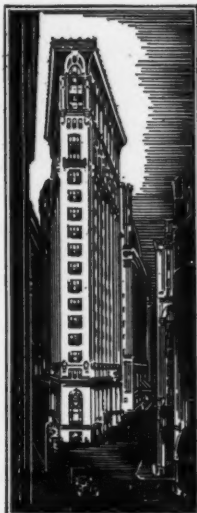
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